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in pence

THE TIMES

President Carter:
the honeymoon
goes on, page 9

Birmingham riot at by-election meeting

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Police hurt in mob at Front rally

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London police chief resists extremists

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Ashes return: The England cricketers celebrated with champagne at Headingley yesterday after defeating Australia in the fourth Test by an innings and 85 runs. For Mike Brearley (seen at left with Bob Willis, Tony Greig and Alan Knott) victory was a personal triumph in his first year as captain.

Associates of Indian ex-Premier arrested

From Kuldip Nayyar, Delhi, Aug. 15. The Central Bureau of Investigation today arrested 120 people who worked for Mrs Indira Gandhi, the former Prime Minister, accusing them of acquiring "vast resources including financial interests abroad".

Massive heroin cache reported in Laos

From Peter Haselhorst, Bangkok, Aug. 16. The existence of an immense stockpile of the deadly drug heroin in Laos, enough to overwhelm the world's narcotics control system, has been discovered in a Laoan Army base near the Thai border, a Western narcotics agent told The Times today.

A German schoolboy's version of how Adolf Hitler defeated Bismarck

From Gretel Spitzer, Berlin, Aug. 15. What does the young West German generation think of Adolf Hitler? Apparently not very much. One 15-year-old boy believes he fought against Bismarck "for winning an election".

Ex-Nazi escapes in suitcase

Colonel Herbert Kappler, a former Nazi serving a life sentence for the murder of hundreds of Italians, disappeared from a Rome military hospital where he had been detained with terminal cancer.

Muzorewa warning

Bishop Abel Muzorewa, the Rhodesian nationalist leader, says the latest Anglo-American peace plan should not be shown to Mr Ian Smith yet as he will reject it if its contents are revealed before the Rhodesian elections.

Ryder Cup team

The Ryder Cup selectors, preferring youth to experience, have picked Mark James, aged 23, and Kenneth Brown, 20, in the team of 12 to play the United States in September.

Motor industry is hit again with spread of component strikes

By Clifford Webb. Two new strikes at key component manufacturers are adding to the motor industry's already serious problems resulting from the six weeks' strike at 14 Lucas factories in the Midlands.

By Peter Godfrey. Big airlines operating between London and New York are to offer a reduced return fare of £149 from next month to give intensive competition to the Laker Skytrain.

Big airlines cut fares to counter Skytrain

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Computer watch on wayward buses

By Alan Hamilton. Londoners who enjoy spotting unusual forms of wildlife in the streets of the capital will be pleased to learn that a £10m electronic surveillance network is being planned to help them to track down the number 18 bus.

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Uganda Briton ill

Mr Robert Scanlon, the Briton held on spy charges in Uganda, is "desperately ill" in a Kampala military hospital, his wife Mrs Gloria Scanlon has been told. But she has been refused permission to see him.

A job you can get your teeth into.

Serious oranges are required for one of the juiciest jobs in Britain. Seville oranges, on the larger side with thick, succulent skins, are presently being interviewed with a view to making Britain's finest marmalade—Chivers Olde English.

Applicants should be capable of withstanding the most stringent quality-control standards. A company jar is provided. Write in the first instance to: The Director of Oranges, Chivers, Bournville, Birmingham B30 2NA.

CHIVERS

Are you orange enough?
Or thick enough?

Inks For the first time in many months the volume of retail trade in inks has picked up, with government figures showing an estimated 31 per cent increase in July. The figures partly reflect higher spending which has been deferred. Page 13	Retail sales at best level for months For the first time in many months the volume of retail trade in inks has picked up, with government figures showing an estimated 31 per cent increase in July. The figures partly reflect higher spending which has been deferred. Page 13	Ex-Nazi escapes in suitcase Colonel Herbert Kappler, a former Nazi serving a life sentence for the murder of hundreds of Italians, disappeared from a Rome military hospital where he had been detained with terminal cancer. He weighed only 71 stones and is believed to have left hospital in a suitcase carried by his wife. Page 3	Inquiry ordered on heating homes A Government working party has been asked to see an independent consultant's report on the cost of heating homes on a London council estate which says that some families are spending £220 in a single winter quarter for heat. The report says poor insulation is partly to blame. Page 2	Leader page 11 Letters: On protest marches, from Mr Anthony Grant, MP, and others; on incomes policy, from Mr W. J. Hopper. Leading article: Ordeal of Ogaden; The Ashes; India's Untouchables; Features, pages 9 and 10. Sir John Colville on "What I would do if I were..." Diana Gaddes on how 0 level papers are marked. Page 5 William Mann on Donizetti's Roberto Devereux at the Aix Festival; Paul Overy on Barry Manilow and Kenneth Dingwall; Joan Chissell on the Academy Cup at York. Page 6 Cricketer: Essex and Worcestershire win in two days; Racing: Michael Phillips previews the Benson and Hedges Gold Cup at York. Page 7 Dr R. A. Sayce; Rear-Admiral H. E. Dunnington; Canon J. G. McGarry. Business News, pages 12-13. The market veers towards Shell. Business Diary: An alleged kidnapping that never was. Page 12	Fewer illegitimate births ordered on heating homes A Government working party has been asked to see an independent consultant's report on the cost of heating homes on a London council estate which says that some families are spending £220 in a single winter quarter for heat. The report says poor insulation is partly to blame. Page 2	Home News 2, 3 European News 3 Overseas News 3 Diary 12, 13 Art 12, 13 Business 12-13 Court 12 Cricket 12 Engagements 12 Features 9, 10 Letters 11, 12 Obituary 12 Science 12 Sport 6, 7 TV & Radio 19 Theatre 11, 12 Times 12 Weather 12 Wills 12
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HOME NEWS

Heinz to reconsider pay increases that exceed limits

By Tim Jones

Labour Reporters
H. J. Heinz & Co., the American-owned food company, is to re-examine a pay award to more than three thousand workers which breaks the 12-month rule and exceeds the 10 per cent maximum on pay increases set by the Chancellor.

The chairman and managing director of the company yesterday met Mr. Barnett, Chief Secretary to the Treasury. They were told that the award of between 17 and 20 per cent to workers at the company's northern factory breached the pay guidelines agreed between the Government and the TUC.

In order to win wage increases on August 1 from the company the workers gave up the increases they would have had in May under phase two, of between 2.50 and 3.00 per cent.

When they meet the union representatives Heinz management may now suggest that the phase two increase should be accepted, while they examine the feasibility of introducing a self-financing productivity scheme. Such schemes are allowed under the new pay policy.

The Government is still hoping that in September the TUC conference will ratify the 12-month rule, as the lunch pin of a new understanding for the orderly return to voluntary collective bargaining. But it is already known that the Transport and General Workers' Union and others intend to vote against it.

Mr. Booth, Secretary of State for Employment, yesterday urged negotiators to observe the 12-month rule and keep the general level of pay settlements "well within single figures".

His appeal was carried in a letter in the latest issue of *Employment News*, which goes each month to more than 100,000 workers and managers, and is primarily intended for notice board display.

Mr. Booth and his fellow ministers received two qualified measures of support yesterday for the 12-month policy. The Union of Shop, Distributive and Allied Workers, which has

425,000 members, said it would honour the policy "only on the clear understanding that it is honoured by the movement in general".

The union's executive council gave a warning that any departure from the rule would lead to higher inflation and unemployment.

At a meeting in London yesterday members of the National Union of Journalists' National Council decided to withhold pay claims until after the TUC conference and a later meeting of their own national executive.

Fleet Street journalists are among those who have stated their intention of breaking the 12-month rule and exceeding the Chancellor's guidelines for wage increases.

Kodak said yesterday that it had failed to reach agreement with the unions on the next round of pay increases.

The company said that the unions had made claims well in excess of the Government's maximum and that they were proposing industrial action in support of those claims.

Kodak management had offered consolidation of the last pay award into basic rates, in addition to a 10 per cent increase.

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Call for TUC aid in newspaper dispute

By our Labour Reporter

The Newspaper Publishers Association yesterday asked the TUC to intervene in the dispute that has stopped publication of the *Financial Times*. It is not published again today, the tenth issue lost since the dispute began.

The NPA sent a letter to Mr. Len Murray, general secretary of the TUC, after it had tried unsuccessfully to make contact with Mr. Joe Wade, general secretary of the National Council of the Newspaper and Journalists' Association, whose members at the newspaper are in dispute with the management.

After a meeting, the NPA, headed by Sir Richard Marsh, expressed the gravest concern and asked the TUC to intervene "with whatever assistance it can give to ensure the speediest possible return to normal publication".

The NPA council gave its "unqualified support to the *Financial Times* on an issue of paramount importance to all its constituent members and, inevitably, at some stage to all its employees."

It was, the NPA statement said, a matter of the gravest concern that the unanimous findings of a joint appeals committee, under the jointly agreed chairmanship of Mr. Sidney Kessler, and including a national officer of the union concerned, had been rejected by the NGA.

It said that such a situation was without known precedent in the national newspaper industry.

The dispute, which had worsened when the management dismissed 46 union members for allegedly taking unauthorized time off, appeared to have been resolved at the weekend when the joint appeals committee unanimously agreed on a four-point peace formula.

The committee's unanimous recommendation was that deductions of money for days taken off should be deposited in a joint account in the names of the union and the newspaper.

The committee found that while there was no company recognized agreement that permitted members to absent themselves from duty on full pay, such an arrangement had been made in 1975 between the father (chairman) of the chapel and the head printer of that time.

It recommended that the management and the chapel should enter into formal negotiations over manning levels and hours of work and report to the appeals committee by September 2.

Mr. Edward Parker, the south-east London organizer, who was much involved in the dispute, said it was an upward trajectory. It has told the police that it will not permit the National Front to march, that it will resist police "provocation" at the Notting Hill Carnival, and that it will attempt to crush any National Front activity which is designed to intimidate.

Mr. Foot said it was clear from history that if Nazi movements could be prevented from swarming through the streets and terrorizing minority groups, growth was checked. "Ninety-eight per cent of our members are as opposed to violence as everybody else, in the case of the National Front, it is absolutely necessary."

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Official inquiry into high heating costs

By Pat Healy

Social Services Correspondent
A government working party yesterday called for copies of the independent consultant's report, disclosed in *The Times*, which estimated that families on a London council estate would have to spend £220 and pensioners £100 in a single winter quarter to pay for minimum heating. The report will be studied as part of the working party's investigation of what can be done to reduce the high heating costs of all-electric council housing.

The report estimated the "reasonable" cost of heating council homes on the Church End estate in the London borough of Brent, where electric ceiling heating is installed. The consultant found that families would have to pay £16 a week in winter to achieve minimum standards of heating; pensioners and sick people would need to spend about half that amount.

Similar heating systems are used on many other council estates, mainly in the North and North-east. The working party, set up by the Department of the Environment to investigate heating and energy conservation in public housing, believes such systems present an "enormous problem" because they are cheap and easy to install but very expensive to run.

The working party hopes to issue new guidelines in the autumn to help councils to avoid installing heating systems that their tenants cannot afford to run, and to offer advice on improvement to existing systems. The working party will not be recommending conversion to gas because it is not available throughout the country.

Mr. Ian Roxburgh, chairman of Brent Housing Committee, said yesterday that his council was investigating the use of district heating systems as an alternative to ceiling heating.

"We are told that the system built housing on the Church End estate was not suitable for gas central heating," he said, "but we are using district heating on the remaining phases of the estate, where we are building different kinds of housing."

The trouble was the lack of a national energy policy to advise councils on the best fuels.

Ceiling heating is no longer used in new building schemes in Brent. It was used at Church End both because of the design of the estate and because it was cheap to install. The consultant's report attributed the high cost of the system to the poor insulation of the 750 homes there.

Mr. Roxburgh said he was trying to discover what government grants were available to help Brent to improve the insulation on the estate. If the borough had to rely on its own resources there might be only £30 a house available, which would not make a great difference to the tenants' heating bills. He hoped the council would soon be able to install better roof insulation, which the consultant estimated would reduce heat loss by 70 per cent, but that would reduce the tenants' bills by only about a tenth.

The Electricity Council said yesterday that similar systems installed in other parts of the country worked well. On an estate in Woking it had proved over two years to be cheaper than gas central heating. The key to the efficiency of such systems was proper insulation, but ceiling heating was so easy to install that many builders had used it without giving much thought to insulation.

The Brent Community Law Centre, which commissioned the consultant's report, is hoping to negotiate a special arrangement with the Supplementary Benefits Commission that will recognize the high heating costs on the estate and enable better heating allowances to be paid to pensioners and families on supplementary benefits.

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The Brent Community Law Centre, which commissioned the consultant's report, is hoping to negotiate a special arrangement with the Supplementary Benefits Commission that will recognize the high heating costs on the estate and enable better heating allowances to be paid to pensioners and families on supplementary benefits.

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THE ARTS

Terabust with Festival Ballet

The Italian ballerina Elisabetta Terabust will be joining London Festival Ballet for their forthcoming season at the Festival Hall. She recently danced Swanilda in Petrucci's new production of Coppelia which was highly acclaimed when it was first given last year, and in recent months she has danced with both Baryshnikov and Nureyev. During Festival Ballet's present tour in Australia Miss Terabust has been widely praised for both her Givelle and her Juliet which she danced for the first time with Nureyev.

The Festival Hall season opens on August 24 with Miss Terabust as Swanilda, partnered by Dudley von Loggenburg. In the second week she will dance in the revival of Balanchine's Night Shadow and in Dame Alicia Markova's revival of Les Sylphides (September 1 and 2). The third week she will appear as Giselle on September 1 and 2. In the latter two productions she will be partnered by Patrice Bart from the Paris Opera Ballet.

The third week of the season will offer a triple bill of The Song of the Night, The Song of the Day and The Song of the Night. The first two productions will be performed by Patrice Bart from the Paris Opera Ballet. The third production, The Song of the Night, will be performed by the company.

Other dancers taking part in the four-week season include Manola Argenio, Liliana Beltrami, Eva Evdokimova, Noreen Kelly, Patricia Rasmussen, Korinna Cooke, Alain Dubucq, Nicholas Johnson and Peter Schaufuss.

Queen's opera: Donizetti's Gloriana at Aix

Roberto Devereux
Aix Festival
William Mann

Donizetti is ruling the roost at Aix Festival this year, with two operas in the syllabus to any other composer's one. The more substantial of the two operas may or may not be regarded as a graceful tribute to the silver jubilee of the monarch across the English Channel, for it is Roberto Devereux, Donizetti's romantic version of the imbrolio between Elizabeth I and the Earl of Essex, composed just 140 years ago when the composer was 40.

When the current Donizetti revival began at the end of the 1950s, the orchestral score of Roberto Devereux, never printed, was found to have been destroyed in the Second World War, and had to be reconstructed by the conductor Gian Andros Gavazzeni and others. The effort was more than worthwhile, not only for the Tudor atmosphere which creative artists of those days found inspiring, but for the English history, but for the splendid vocal music in Roberto Devereux, particularly for Gloriana herself, interpreted at Aix by Montserrat Caballé.

No British operagoer is likely to forget Roberto Devereux, since its overture (written for the Paris premiere in 1838) features a graceful and elegant version of our National Anthem. The overture has been played twice with repeat. The cast includes Lord Cecil, Sir Walter Raleigh (both characterized as dastardly villains) and the Duke of Nottingham whose wife, Sarah, former flame of Essex, becomes the hapless instrument of his downfall. Much of the action takes place in Westminster Abbey, though the Palace is presumably meant, or is it the Tower? The Aix production is colourfully peopled the stage with Beefeaters as well as peers of the realm.

Nottingham (early example of an operatic role specifically designed for high baritone voice) and his wife are given a passionate music to sing, notably the duet scene in which he accuses her of infidelity and prevents her from saving Essex's life with the Queen's ring, splendid music delivered with admirable verve, on the right, attended by Vicente Sardierno and Suzanne Marace, she a tall and slender young mezzo from New York City Opera with an aptly fearful

vocal quality, initially marred by a slow, heavy vibrato, he a robust young singer with a clean, compact and ringing sound that will readily be in operatic demand, especially since he is a lively, not to say pugacious, actor.

Essex, for a title-role, has less music to sing than might be supposed. José Carreras, tricked out in black leather proto-racer gear, glowered and pleaded and made the most of every musical moment, the duets with Sarah and Nottingham and the Queen, and chiefly his aria in the condemned cell, with a surprisingly coquettish cabaret. His voice is developing towards robustness, and it will be said if the lovely lyrical quality disappears. Manrico commands high fees, of course, but good Memorios are always scarce.

It is the Queen's opera. Caballé let an opportunity unexploited, whether in the wearing of sumptuous costumes (gold, crimson, black, ermine, diamonds) or in majestic engravings and regal gestures, least of all in the contrast between subtle threads of tone, appropriate to florid and plangent music, and the imposing outbursts of authority and menace that characterize much of the opera's most thrilling music, whether she is taunting Sarah, accusing Essex of disloyalty, or finally declaring her desire to abdicate and die, in a coda of violent, tragic hysteria during which she throws her crown into the orchestra pit, bares her teeth maniacally and collapses at the foot of her capacious throne.

It is a compelling, infinitely grand imagination, hardly at all affected by the fact that Caballé bears no resemblance to the historical Virgin Queen, who had red hair and a hooked nose. Sometimes I missed a reasonable musical liaison between pliancy and force, vocal white and black. More seriously her performance, indeed the whole performance, substituted glamour and formal gesture, spectacle, the operatic circus, for dramatic and operatic art. Empty stage behaviour in below Caballé and below Carreras, but not much below the production by Alberto Fassini, who seemed more concerned with splendour than with matters of the heart.

The announced cast had undergone numerous changes and one cancellation due to rain (and Mme Caballé's refusal to perform elsewhere, a decision for which she is to be sued by the festival), which may explain the many small, and less small, mistakes in the performance under review. Julius Rodde is his conductor, alert when matters went astray, keen and appreciative other-



Montserrat Caballé

whose honey-moon night is constantly disturbed by emergency calls on his chemist's shop. Sadly, its slight but engaging charm was disturbed there by a pretentious production, which duplicated everything so that dialogue was spoken in French, set numbers sung in Italian. The comedy struggled against this milestone, much to the credit of Faye Robinson as the (singing) wife and Samford Dean as her browbeaten groom, but the final effect was disheartening. Cimarrona's Il maestro di cappella in the first half went more cheerily with Jean-Christophe Benoît conducting and singing in high spirits, even to mimicry of familiar stars of the baton.

Barry Flanagan and the soft look

Barry Flanagan was a sculpture student at St Martin's School of Art in the middle Sixties. He was already in his mid-twenties and had previously studied architecture and done various jobs. This experience and maturity no doubt helped him evolve a style very different from the orthodoxy at St Martin's, of painted metal sculpture in the style of Anthony Caro. He was also much influenced at this time by John Latham, who was then teaching at St Martin's, but in the painting not the sculpture department.

Flanagan began to use natural soft materials for his sculpture: sacks, cloth, sand. Usually Flanagan's early sculptures were not themselves soft, although they looked soft. The sacks of sand and soft cuddly-looking forms turned out to be filled with plaster or stiffened with resin. But visually they were soft. Sculpture depends less on actually being touched than conveying visually what it might be like to touch it. And in this sense Flanagan's sculpture of this period is soft because it looks soft.

In the late Sixties these demure sculptures were works of mocking irony, giving the hairy-chested male chauvinist a question of whether he would like to be touched by a soft sculpture. And Flanagan has continued to mock and make fun.

At the Arncliffe in Bristol is a smaller version of a retrospective of Flanagan's sculpture shown at the Van Abbemuseum, Eindhoven, earlier in the summer. An art which depends so largely on surprise and reversal of expectation is bound to lose much of that effect as it is seen again and again. For the late Seventies sculpture which mocked the modes of the Sixties must appear very different. And yet, as the current Battersea Park Sculpture Exhibition demonstrates, there are still plenty of mainly fellow travellers in English sculpture bearing iron riders against their chests. Flanagan's ironic stance remains relevant. And today he has a few allies among whom, of those at Battersea, one might name Nicholas Pope.

Naylor. (And in another part of the wood Ian Hamilton Finlay's gun-lyre defends its position of wit and irony against the metallic assaults.)

But Battersea is an anachronism, like those re-runs of old TV programmes from the Fifties and Sixties we are being shown with this year. How does Flanagan's work relate to another kind of sculpture which came into prominence in the late Sixties and early Seventies—with Richard Long, or Gilbert and George, or the more conceptual work which has passed under the name of sculpture?



Barry Flanagan setting up his sculptures

ure in the past few years. Flanagan's later work gently mocks such trends now. Yet seen as a whole, our of the context of what it was hitting off, Flanagan's work has a dry, almost cruel, quality like a skin. They are about the process of coming to terms with emotion: covering up, restraint, putting on a face, self-control. The paintings are often virtual monochromes, but one colour is built up in many layers over another colour, so that even if it does not show slightly at the edges like an aura, one is still aware of the under colour subliminally altering the final tonality of the picture. The drawings reveal more clearly the process which has gone on: a constant covering over and reworking, paralleling the way we worry at our emotional reactions to the situations we encounter in real life.

Dingwall had an impressive one-man show at the Scottish Arts Council Gallery in Charlotte Square, Edinburgh, earlier in the summer. Now a selection from the show is at House until September 18.

Paul Overy

Brendel's Beethoven

Academy of St Martin Festival Hall

Joan Chissell

After his two master classes on Beethoven's piano concertos last week for South Bank Summer Music, Alfred Brendel returned on Sunday to play the so-called first of the five in C with the Academy of St Martin-in-the-Fields under Neville Marriner.

The performance was a tonic on a damp, grey, August Sunday evening. High spirits bubbled over. From some arises the first movement might have sounded merely slick taken so fast. But every note tingles from Mr Brendel, even in the most conventional passage-work. He also brought home all the mystery and magic of Beethoven's excursions into unexpected keys. As bonus, he gave us what sounded like the third of Beethoven's own cadenzas, infrequently played because rather too long for the good of the movement as a whole, yet marvellously inventive and often playful, too, such as in the mock trill and recapitulation well before the end.

Even though considerably reinforced, the Academy was still far from a full symphony orchestra, giving the texture welcome transparency and permitting chamber-music-like refinements of ensemble. That was particularly enjoyable in the Largo, especially in the dialogue of piano and clarinet (and other woodwinds) later in the movement. There was also one brief exchange between the horns and the piano's left hand which I had never heard so cunningly emphasized before. The movement was a haven of peace before the finale, where Mr Brendel found all the robust good humour of the episodes without sacrificing one whit of keyboard elegance.

Beethoven's Coriolan overture and second symphony completed the programme. Although playing amid the black drapes of the resident ballet company slightly reduced tonal bloom, it was interesting to hear both horns played at the strength Beethoven himself envisaged, with sharp definition of brass and not cushioned by dozens of strings. Mr Marriner's own predilection for sizzling tempo added to the general impression of the work. If in the symphony's Scherzo and finale he made you more aware of eighteenth-century echoes than of astonishing pre-echoes of the great ninth, his bold dynamic contrasts were always echt Beethoven.

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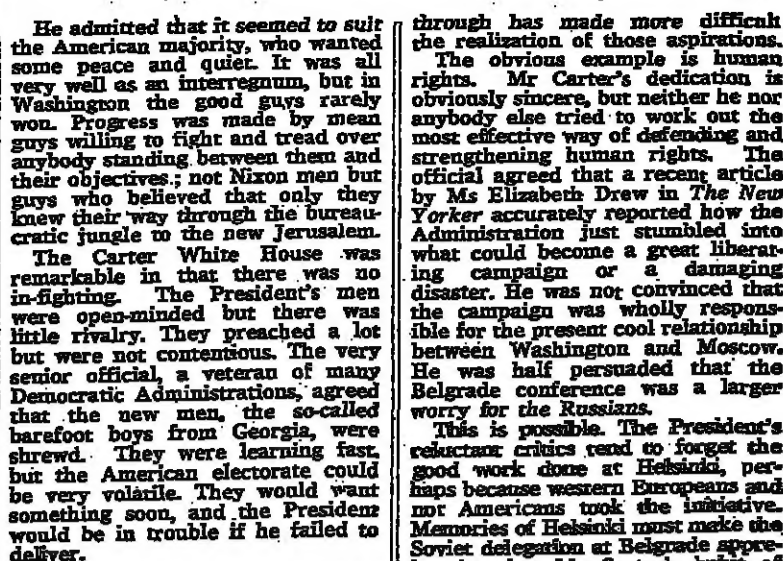
The Leverhulme Award at Glyndebourne

The second Leverhulme Award has been made to Stephen Barlow, a member of the Glyndebourne music staff. Mr Barlow, who is 22, has been

working at Glyndebourne for the first time, having been an organ scholar at Trinity College, Cambridge, and studied until the drawing becomes School. The award will enable him to broaden his musical knowledge and experience by attending rehearsals and per-

formances, and to acquire the necessary scores to develop his knowledge of the repertoire, both operatic and orchestral, which he confidently expects to be conducting within a few years' time. He is arranging to spend some weeks studying this winter in Germany.

Louis Heren on President Carter's first six months in office



through has made more difficult the realization of those aspirations.

The obvious example is the rights of my Communist friends. It is right, obviously, that neither he nor anybody else tried to work out the most effective way of defending and strengthening human rights. The strongest evidence of this is the article by Mr. Elizabeth Drew in *The New Yorker* accurately reported how the Administration just stumbled into what could become a great liberalizing campaign.

But I am not convinced that the campaign was wholly responsible for the present cool relationship between Washington and Moscow. He was half persuaded that these Belgrade conference was a larger part of the reasons.

This is possible. The President's selector critics tend to forget these good work done at Helsinki, per-

I do not accept the comparison, but I think our shortsightedness has weakened its efforts to bring peace to the Middle East. There is no secret master plan. The policy is exactly as it appears to powers and people. The Israeli Prime Minister, might have been misled by the congenial Southern President, but before Mr. Vance's last Middle East trip, we were sending more than 100,000 men on the surface while everybody involved belatedly looked for

Senator Javits, who is the second ranking Republican member of the Senate Foreign Relations Committee, said the president had a lot to learn, but believed that he had regained an equilibrium in foreign policy. The announced withdrawal of troops from South Korea signified a return to a more realistic and sane view of the world, he said, and was a step toward healing the nation's wounds. He would not willingly accept another Angola, but he was a moderate.

Mr. Carter is still pursuing policies and programmes because he believes that the right course lies in what Congress, Moscow or American allies think, but he has not squandered the good will most presidents enjoy at office during their first months in office. The housewives and mothers of the United States are not so ready to heal the nation's wounds, and for the time being, the American majority

It is too early to say whether he will become a great President, but despite the cautious qualifications his civility and those evergreen aspirations could be potent factors too long absent in American politics.

DOMESTIC AND ATERING SITUATIONS

هكذا من الأحرار

As 400,000 students wait for their GCE results...

From borderline to pass, how O level papers are marked

Results of the GCE O and A level examinations start going out this week to the 400,000 or so candidates in the United Kingdom who sat the examinations in June and July. Inevitably there will be some who feel that they have done much worse than they deserved, and others perhaps who are surprised to have got so high a grade. Equally inevitably, suspicions will be voiced that Mrs A's daughter had an unfairly tough examiner, while Mrs B's son had both an easy paper and an easy examiner, or that the candidates for Latin this year were of an unusually high calibre, so no wonder poor Johnny only got a grade D when he could have expected to get at least a grade B in a "normal" year.

How are GCE examinations marked and graded? Earlier this month I spent a day in Oxford looking at how grades were awarded to O level papers by the chief examiners of the Oxford and Cambridge Schools Examination Board, the smallest of the eight GCE boards, but the one that serves most of the leading boys' public schools as well as a few girls' public schools and about 50 maintained schools, and the one that is often considered the most "difficult".

By early August, all the papers had been marked by the board's 2,000 or so assistant examiners working from their homes, schools or universities across the country. Minimum qualifications of an honours degree and two years' teaching experience are required to become an examiner; more than half the board's examiners are practising school teachers, the remainder usually being university (not just Oxbridge) or college of education lecturers and professors, or retired teachers.

The assistant examiners are sent detailed marking instructions compiled by the chief examiners for each subject, and attend a subject "coordination meeting" to take part in a dummy marking run on a photocopy of an examination script. The various marks of all the examiners present are then discussed to try to reach agreement on marking practice and to make sure the examiners are applying the marking instructions correctly. The tough and the lenient examiner will already at that stage have been asked to adhere more closely to the examining norm.

Tough and lenient examiners are asked to adhere closely to the examining norm

Each examiner, who marks about 250-300 scripts over two to three weeks (payment is usually about 40-50p for an O level paper and 60-70p for a longer A level paper), sends the papers marked sheet to the chief examiners at the board's Oxford headquarters. Then begins the complex task of comparing marking standards of individual examiners, examining previous years' patterns of marks for a particular paper, and considering the relative difficulty of the paper, before a decision is made as to which grade should be assigned to which group of marks.

O level results are divided into six categories, grades A to E, and "unclassified" (for which no certificate is awarded). The former rough-and-ready pass-fail system, under which a child with 49 per cent of the marks could have been classed a failure in the same way as the child with 50 per cent, while the child with 50 per cent could have passed, has been abandoned. However, the division between grade C and grade D is considered to be the equivalent of the old pass-fail dividing line.

The grades correspond to the proportions of pupils in each category, which in a large sample are likely to remain fairly constant year to year, rather than to the percentage of marks achieved, which could fluctuate with the degree of difficulty of the papers set, though that is taken into consideration when awarding grades.

Roughly, grade A may be achieved by the top 10 per cent of candidates, grade B by the next 15 per cent, grade C by the next 25-30 per cent (meaning about 65 per cent of candidates "passing" using the old system), grade D for a small group of 5-10 per cent, and grade E for the next 5-10 per cent, leaving between 15 and 20 per cent unclassified.

Those percentages do not represent a hard-and-fast rule, however, and may vary somewhat between one subject and

another. In Latin, for example, a rapidly waning specialist subject where the remaining candidates tend to be of high quality, 27 per cent of last year's O level candidates taking the Oxford and Cambridge board's papers received grade A, because that was the grade the examiners believed they should receive in order to reflect fairly the standard of previous years and also the standard achieved by candidates in other subjects.

In some subjects, the Oxford and Cambridge board has a higher proportion of grade A last year, for example, nearly 17 per cent of the board's O level French, German and music candidates received grade A, compared with about 10 per cent for the other boards, probably reflecting a level of teaching in those subjects higher in independent schools than in maintained schools.

The various boards frequently come together to compare and try to achieve some consistency between grading standards. For that purpose detailed comparative statistics are kept, but they remain confidential for fear that they will be misinterpreted.

The standardisation of the performance of assistant examiners is a crucial task carried out by the chief examiners. The marks awarded by each assistant examiner and the proportion of his candidates to whom he has given those marks are plotted on a graph, together with the marking performance of all the other assistant examiners for that subject. In that way an apparently tough or lenient examiner may be easily spotted and the matter investigated.

It could be that the examiner who appears to have been too harsh has simply had papers from a lot of weak schools. But if he is found to be out of line with the others for no good reason, his set of marks are scaled up or down accordingly. A sample of each assistant examiner's work is remarked by the chief examiner

as an additional precaution against possible unfairness.

A graph of the distribution of marks for each subject is also drawn up, so that these can be compared with previous years' marks and any disparities examined. The chief examiners will look to see if the paper set was any harder or easier, for example, or whether the overall quality of the candidates has improved (as with Latin); or if the assistant examiners as a group have become any tougher or more lenient.

Finally, the chief examiners re-examine papers of borderline cases in each grade to see if they cannot find a couple of extra marks to tip the candidate over into a higher grade. They also reconsider the papers of candidates about whom the school has written of special circumstances, such as a mother having just died, or the candidate having a problem with hay fever or dyslexia.

If a school still feels unhappy about a particular pupil's results, it can ask the board, for a fee, to look at the papers again. Schools can also ask for a general report on how all their candidates in a certain subject fared on the different parts of the examination. This can show a school those areas in which it must improve its teaching, and sometimes pinpoint a particularly good or bad teacher.

The Oxford and Cambridge board, founded in 1873 at the request of members of the Headmasters' Conference, partly in an attempt to save off Government interference in schools' examinations and curricula, is proud of its independence and of close links with its schools. (One third of the board members are from the schools and they, together with the chief examiners, decide changes in examination syllabus and sometimes propose entirely new examinations.)

The board laughs derisively at an apparently quite serious suggestion last year that the Government had instructed examination boards to make their English papers more difficult so that more candidates would fail and feel they should stay on an extra year to retake the examination, thereby making the unemployment figures look better.

Diana Geddes
Education Correspondent

What would I do if I were... The Almighty

This time I should spare the Egyptians. I should revert, temporarily, to my Old Testament role. I should spare the Egyptians, who behave far better under Pharaoh than they did under Moses, and direct my biblical plagues in the form of frogs, lice, boils, locusts and other chastisements where they are most richly deserved today.

I should begin at home (for it has long been assumed that God is an Englishman) with those whose intellectual pretensions and spiritual pride convince them that any, most prevalent of the deadly sins, is the best weapon with which to stir discontent; who seek to destroy what exists without practical ideas of a constructive alternative; and who habitually write self-righteous letters to *The Times* about the motives in the eyes of foreign governments. I should borrow for the purpose the little list kept by Koko, Lord High Executioner in the Middle Ages. I think, would serve well in their case, or perhaps vice versa.

For the insufferable Field Marshal Amin and his political police, it would be appropriate to turn the Nile into a river of blood, thus completing the process he has himself begun. If I could arrange for that equally cruel and ridiculous Emperor of the Central African Republic to be paying a state visit to Kampala at the time, it would not be amiss.

People who massacre the English language, in speech no less than in writing, who say "hopefully" instead of "I hope", who confuse would and should, who forget that the past participle of prove is proved, and that proven is archaic, who say primarily, formidable and lamentable; all these would be heavily chastised. I might infest their houses with a plague of frogs; and roads too if they were obscure as well as ungrammatical.

Politicians who claim to speak for the people as a whole, when they know full well that only a fraction of the people agree with them, would receive condign punishment. I should be particularly harsh towards those who insist on uniformity when diversity is appropriate. Thus Mrs Shirley Williams, who refuses to see the advantage of grammar schools as well as comprehensive schools, and Mr Michael Foot, who forced through a relevant Parliament legislation which would be high on the list of sins condemned to suffer a

dose of "hell mingled with fire".

"Grievous swarms of flies" would be dispatched to afflict all who seek to impose on others by law what they sanctimoniously believe to be for their good: the afflicted would include those demanding compulsory seatbelts, the abolition of smoking and the prohibition of advertising for waiters—in fact everybody who confuses bad habits, or even sin, with crime. An invasion of the European Commission's offices in Brussels by a particularly noxious breed of flies would be the punishment for spending too much energy on unnecessary conformity (such as the replacement of Imperial by metric measures). I should prefer them, if they must change things, to revert to leagues, rods and cubits; the more obscurantist supporters of the Common Agricultural Policy should prepare to take cover from locusts.

I should obliterate economists, statisticians, Treasury officials and the Chancellor of the Exchequer to reveal all the forecasts and prophecies they have ever made and to write out a hundred times a statement of what actually happened by comparison with their predictions.

I might even do the same to the astrologers; but for them my severity would be tempered by mercy, both because winds and pressures do unconsciously change at short notice and because they are more inclined than the economists and the Chancellor to use the conditional rather than the future tense. Destroying their cattle would be an ineffective sanction since a few, apart from the Chancellor, have say. I might, therefore, devise a milder punishment, such as having their past predictions consciously played over to them by a recording angel.

Striking down the first-born of the Egyptians was a sure way, if somewhat drastic, measure to facilitate the exodus of the children of Israel; but I think this should be regarded as a "once for all" expedient, not even to be applied to modern Moscow (especially bearing in mind King Herod's unreluctant, and mercifully unsuccessful, attempt to perform a comparable operation with a totally untoward objective). However, nothing would deter me from repeating the whole device I once used in the Red Sea, when the waters were rolled back to allow the escape of the good and were instructed to close again for the disposal of the wicked.

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Sir John Colville is the second contributor in this new series

There are, I should be inclined to leave Mrs Shirley Williams, Michael Foot, and even Harold Wilson and Lady Kender, safely on the safe side of the law, as some of the less edifying Tories. I could deal with a later stage, when at times not space, nor comprehensive schools, nor shops, nor resignation, nor lies are any longer of account.

I should have to think of fully whether to drown Mr Scargill and Mr McCahey, Skinner of Bolsover, the notorious professional piers, demagogues and ex-convicts, and the most likely irresponsible journeymen and theologists, Miss Val Redgrave, Mr Kenneth T. and Mr Paul Foot; but I probably I should let off with a good ducking.

There would be a few, apart from the Chancellor, have say. I might, therefore, devise a milder punishment, such as having their past predictions consciously played over to them by a recording angel.

In the rearguard of the marching through the Red Sea, at least a chance of mingling ashore when the roll down on them (for mistaking the pharaohs for the rulers of Mozambique, Angola, Mr Ian Smith, Gaddafi, the more obscure South American dictators, the executioner who tried to kill me, that which excuses I might be to consider for the Red Army, the PLO, the eastern guerrillas and the young assassins in Germany and the Basques). I should have a small number of the IRA, placed well out of reach of they have taken the Lord their God's name. I hope I have made sense. © Times Newspapers

Dr Castro develops his own style of gunboat diplomacy in Africa

"The continent of Africa," said Fidel Castro in a recent speech, "is the weakest link in the chain of imperialism." In South America, he argued, it is the middle class, "the bourgeoisie," which has impeded progress. Africa has no middle class; it is therefore possible for developing African peoples, victims of capitalist-imperialism, to pass directly from tribalism to socialism.

For the past 15 years Dr Castro has dreamed of leading a continent-wide revolution against "capitalist-imperialism". In the sixties he sent Che Guevara on ill-starred expeditions to both Africa and South America to try to set the land on fire, but these were launched without the help, or even the approval of the Soviet Union. Now, with a green light from Moscow, Castro is clearly bursting to get on stage and play a leading role himself. Given his history, the vulnerability of Africa to revolutionary change, and given his country's need for some of Africa's raw materials, it is easy to see why a man of his temperament should have been so active in that continent of late.

Few people, however, appreciate the full extent of the

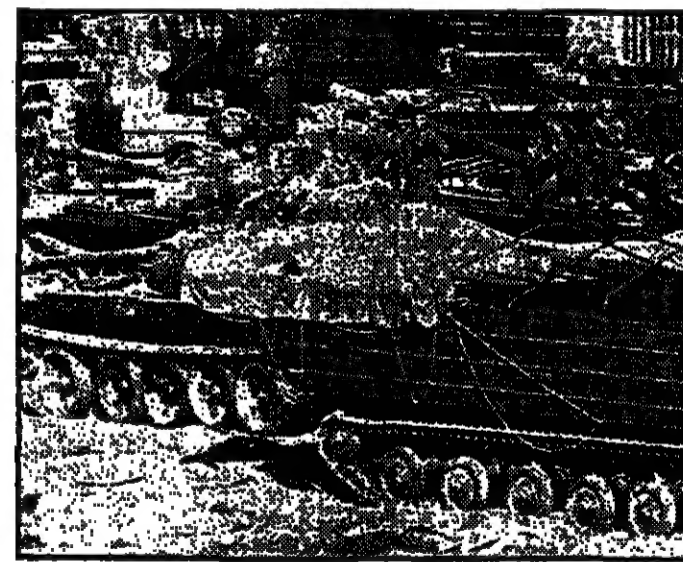
Cuban presence in Africa. She still has some 15,000 troops and 5,000 civilians in Angola; she has diplomatic relations with 31 African states; she has a resident ambassador in 15 states and in nine she has military and scientific personnel. These are located in Guinea, Guinea-Bissau, Equatorial Guinea, Angola and the Congo on the west coast; Mozambique, Somalia and Ethiopia on the east coast, and in good measure and for strategic reasons in Aden just across the Straits from the Horn of Africa, currently seething with unrest. All in all it is a remarkable record for a small island of nine million inhabitants situated on the other side of the Atlantic and totally dependant on its Soviet sponsor for its economic and indeed political survival.

Castro has not been shy about his own and his country's interest in Africa—but then he is not inconsiderable ego. His red carpet tour early this year, encouraging revolt and promising moral, if not military, aid in virtually every sensitive spot in that continent, was orchestrated for all the world to see at his disposal. It almost seemed as though his country, jacking gunboats or cruisers, had sent its dynamic

President to show the flag, to boost morale and more specifically to remind all concerned that what had happened in Angola in 1975-76 could be repeated elsewhere in 1977. By way of a follow-up, it sent his younger brother Raul, First Vice-President and Deputy C-in-C to Angola, General Abrantes, First Deputy Minister of the Interior to Libya and Mr Malmuerta, Minister of Foreign Affairs to Nigeria, Benin and Zambia, while the promised Cuban backing for "the African struggle against racism and neo-colonialism and reaffirmed support for the liberation struggles of the peoples of Zimbabwe, Namibia and South Africa."

We know, of course, that without Soviet moral, and above all military, support, Castro's current crusading activities can add up to little more than so much message for his not inconsiderable ego. But there are, in fact, several good reasons why the Soviet Union should continue to support him in this particular foreign adventure.

In the first place, the Soviet Union—like every other Marxist-Leninist country—must welcome any move which will embarrass the West and bring



Cuban troops and armour in Angola.

to an end capitalist interest and influence, wherever they are still to be found; and in certain respects Cuba is better suited to make such moves in Africa than the Soviet Union. Clearly, for instance, direct military intervention by Cubans of African stock will often be

acceptable where white Soviet troops would not. Cuban scientific, political and economic advisers might be welcome in some African states now under Chinese influence, where Soviet advisers would be considered tainted with state capitalism and neo-colonialism. And finally

it is always agreeable for one country to promote or defend its special cause to the best of the blood of the soldiers of another country, especially when it has been subsidizing that country to the tune of some two million dollars a day for the past fifteen years.

This does not mean, however, that Cuba is operating in Africa solely under the strict direction and control of the Soviet Union, even that the partners are in full accord in their assessments, targets and priorities. Castro has maintained a rugged independence of spirit and action in all his dealings with the Soviets. He is able to accept their counsel with one hand and thumb his nose at them with the other. But there is clearly sufficient Soviet-Cuban agreement over general objectives to give cause for concern to those of us who ruminate upon the world partnership brought the world to the brink of nuclear destruction with the missile crisis of 1962—and racial tensions in black Africa can in their own way be as destructive as any nuclear weapon.

What there are then clearly plenty of grounds for anxiety about the intentions of the Soviet-Cuban partnership in

Africa, there are, on the other hand, a reassuring number of restraints, pressures and difficulties capable of frustrating them. To begin with there is the vastness of Africa and the diversity of its cultures. Each of the states in which Cuba has interested herself face totally different political problems, all of them of great complexity. In the Horn of Africa, for example, she seemed ready and willing, together with the Soviet Union, to support the left wing in Ethiopia, Eritrea and Somalia, only to find that all three factions mistrust each other and resent the help each of their neighbours received.

Such considerations are perhaps unlikely of themselves to dampen Castro's vibrant enthusiasm for foreign adventure; but happily he is himself well and truly hobbled by a shortage of ready cash. The slump in world sugar prices from 50 cents a pound in 1974-75 to 8 cents a pound in 1976 has sent the Cuban economy back on its heels again. Castro himself admitted last March that it was not possible for the Cubans to ensure both a reasonable standard of living at home and finance a full-scale crusade

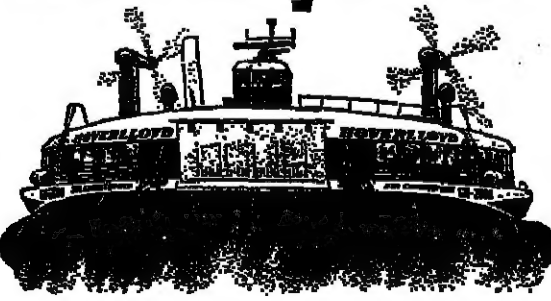
abroad. Whether he is prepared to curb his ambitions in Africa, or whether he is in order to maintain standards and civility at home, and at the same time to foster Cuban-U.S. relations—warmed, after the advent of the Carter—remains to be seen; but are indications that the Union would like him to stay. There are indeed some who believe that the United States has a stake in the third world and for the of world communism is by staying in Cuba and his economy in order they argue, with the standard of living above that of most other American states, he opens wide his hot tourist again and show what a Cuban Marxist state can do for its people.

This is not, I am a theory to which Castro—even at the age of 60—is likely to subscribe. He has been one for just at home and quietly in his garden.

Herbert Ma

The author was British ambassador to Cuba 1960-63.

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TRAVEL FAST
HOVERLLOYD

Will the West echo Russians' laughter?

I spent the weekend laughing at the Russians. Or rather, laughing with one Russian as he laughed at the Russians, herself included.

I was reading an English translation, in rough draft, of *Flowering Tableaux*, by the Soviet humorous writer Natalya Ilyina. It was published in Moscow in 1973 and a London publisher, Christopher Shephard-Walwyn, is seeing what he can do to get it published here. I have read only three chapters. One tells of the author's farcical attempts to buy some ice for her new portable refrigerator. The second describes the epic disruption caused to hotel services by the domestic crises of the staff.

The third story became a *cause célèbre*. It is about Miss Ilyina's tribulations in buying a new car and is Kafka without the horror. *The Times* has already told how the story caused red faces in the Politburo and led to Soviet citizens, for the first time, being allowed to use cheques to pay for large items such as cars.

Miss Ilyina is a privileged person in Russia; a social descendant who has won acceptance. She strikes me as being a remarkably talented literary caricaturist, and I believe the West should be allowed to see how, even in a totalitarian society, some people still cherish the individual's right to say, and do, funny things.

LONDON SYDNEY RALLY



Exclusive

The brochure for The Mardens, a dog and cat hotel in Caterham, Surrey, proclaims it to be one of the most exclusive establishments of its kind in Britain. No wonder. It is, we are told, licensed.

Incredulous, I telephoned the proprietor. Was he not carrying her best—a holiday hotel for pets—a bit too far? Licensed as a pet home by the local authority, she told me. Not to serve drinks.

Kings Langley rooted out

While it is true that the Virginia Carters (no, not a new brand of cigarette) have always had a sneaking suspicion that they might be related to the Georgia Carters (the peanut and farming people from Plains), the family of "King" Carter, America's first millionaire and the aristocratic ancestor of the present President, were not certain of it until told of the research by Debreit's (reported in *The Times* last Thursday) which showed that their roots go back to Kings Langley.

Robert "King" Carter's descendant, Robert Carter Senior, has a farm at Carter's Bridge, near Charlottesville, and his son, also Robert, is a student. Neither has adopted or been given the nickname "King".

President Carter, who has made so much of his humble roots, may have mixed feelings about his newly revealed ancestry.

There is less comment—in fact, no comment—from the President, though Debreit's says that they have told him of their findings. All the White House would say yesterday was that a number of people have started making inquiries about Kings Langley. They (the White House people) are making further investigations.

range from Edison, through Lioret to Berlin. And they will not blind you with science. The show at Harrods has about 20 veteran exhibits. It is flashier, noisier (you enter to pop music) and is cheeky with equipment which would have had poor Edison reaching for his cotton wool ear plugs. You walk alone around this one.

One Hundred Years of Recorded Sound, in Exhibition Road, SW7, is serious, comprehensive and non-commercial, as befits a show staged by the British Institute of Recorded Sound.

Wise men will escort you round the 125 exhibits, which

Birthday honour for a master

I was delighted, at the weekend, to partake with Feliks Topolski of king-size prawns, mammoth steaks, pink champagne and gargantuan slices of his wife's favourite pudding Baked Alaska.

The fabulous Pole was celebrating his 70th birthday, and the Carlton Tower—which has so many Topolskis on permanent view that I shall think of it from now on as Topolski Tower—put on a suitably spectacular dinner in his honour. Spectacular, but homely, because his wife, son and daughter were there to fill in the family portrait, and old friends warmed the air. As, indeed, did the 70 candles on the Baked Alaska cake.

One veteran acquaintance of Mr Topolski's at the feast was Prince George Galitzine who taught the artist to speak English when he arrived in Britain in 1925. "My first lesson was to give him a list of swear words," he told me. "No to use—but to avoid."

The wee dram will soon be a thing of the past in our pubs and bars. No need for Scott to be alarmed, though. I am talking about potato crisps, not whisky. As a measure of weight, the dram has been doomed by the metrication programme. It was, anyway, always confusing. For the apothecary, it meant an eighth of an ounce. For the man in the bar, it was a mere sliver of a dram. For the people, say they're drinking the wee dram from their packs, while increasing the pack's average weight from 14 drams to 17, it means they have not bought a packet calculator needed for conversion into the metric points of ounces.

Bing singalong

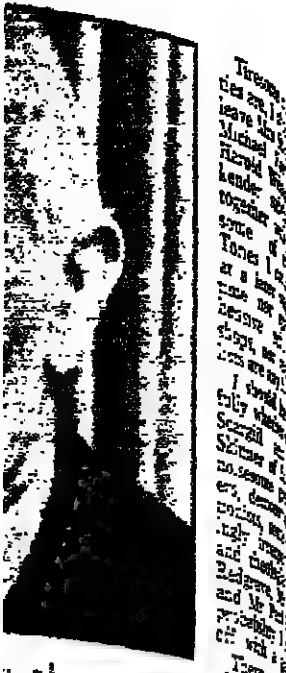
Some time ago I he Bing Crosby would give week-season at the Palladium at the September would the Old Crooner, who would stand up to I formances and the ad the Metropolis.

Not a bit of it, say he. Before even opening Palladium, Bing is to provincial tour (toget golf clubs and caddy, a which will take in South Wales, Preston and Manchester proximity of those notable golf links does unmarked.

On the tour with be Bing's wife, C. adorable singer Clooney (who did for and paypays what Miranda did for from jazz pianist Joe Quite a pig in sure.

For the man in the bar, it was a mere sliver of a dram. For the people, say they're drinking the wee dram from their packs, while increasing the pack's average weight from 14 drams to 17, it means they have not bought a packet calculator needed for conversion into the metric points of ounces.

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THE ORDEAL OF OGADEN

Somalis have occupied almost all the Ethiopian territory they have claimed since they became independent, on ethnic grounds. Their claim now is to hold on to it. They hope they may have had making their claims juridically. They were destroyed in Gabon week, where the Organisation of African Unity sub-committee on the boundary dispute between the two states ruled against them. This was a foregone conclusion, because the OAU charter prohibits any changes in international frontiers by force. Without such a provision, the Ethiopian frontiers would have been challenged, though so extensively as are the frontiers with Ethiopia.

Somalia has not adjusted a boundary, it has annexed a province almost as large as the country itself. Ogaden is a dry, arid, and sparsely populated area. It is important to Somalia because it is a route to the sea. It has been a Somali nomad range, though, by dint of expenditure, it could be made a permanent settlement and in part claimed as the growing desecration of the area.

It is also strategically important to Ethiopia, because of its vital railway and road links. The Ethiopians still hold Dawa, and other towns, as the damaged railway. So as they hold them, Somalia cannot incorporate Ogaden in "Greater Somalia", or solicit

aid to rehabilitate the region. Thus, though Ethiopian authority remains tenuous, the Ethiopians can deny Somalia any but a nominal use of the area. The roads will continue to suffer.

The Ethiopians can, moreover, develop a counter campaign of attrition against the Somalis. They can tie up most of Somalia's limited military resources. This will prevent the Somalis from turning next to their further claims on Kenya. It will probably also prevent them from seeking to attach Djibouti to themselves by an internal coup which they will be able to engineer when they judge the time is ripe. For if they occupy Djibouti, they will have to defend it from Ethiopian attack. Unless, therefore, the disintegration of Ethiopia proceeds to the point at which that country becomes quite helpless even with Russian support, the Somalis may now be probably the prisoners of their prize in Ogaden.

The difficulty for the West is that in supplying "defensive arms" to Somalia they appear to underwrite the completion of Greater Somalia. For there is no reason to think the Somalis will abandon their ultimate object, or even recognize their actual poverty as a limiting factor to their romantic national ambitions. The Russians, on their side, have had to abandon their grandiose idea of a communist African federation of all the warring states of the Horn, but they may be content simply to keep a low-key war going, which at least leaves both sides

dependent on them for arms. The Somalis are turning against them (though still mouting Marxist slogans), but Colonel Mengistu Haile-Mariam and the Dergue cannot now do so. Russia may calculate that an exhausted but Marxist Somalia, a shrunken but Marxist Ethiopia and a devastated but Marxist Eritrea may be the outcome that suits them second best.

It is, however, a prospect that must revolt humane people. The question must be asked if there is no other way had their say—except for South Yemen, which is a Soviet client state. The Arabs will not be willing for the Russians to dominate the area on a basis of interminable tribal warfare. The Gulf states have the resources to rehabilitate Ogaden and Eritrea once they are independent. The West cannot wish the war to intensify, and Britain must in particular wish to reassure Kenya that it is not to become Somalia's next objective. The OAU cannot abandon its charter. The answer may lie in following the example of Djibouti and Eritrea. The one is independent, the other's claim to independence cannot be indefinitely frustrated (except by genocide). Some sort of independent status for Ogaden may have to be considered, to save face and prevent self-destruction by Addis Ababa and Mogadishu. It would be poor, but if fought for indefinitely it would end as real desert. But while tempers are so hot, the difficulties will be great in reaching, even suggesting, any humane compromise.

VICTORY TO CELEBRATE JUBILEE YEAR

A new national obsession with the antics of the antipodean cricketing tycoon can, for a while, be laid aside for happier thoughts. England has won a convincingly convincing and historic victory. What more fitting event can there be than the recovery of the Ashes in this century—the first time since 1933, the year of Majesty's coronation, and the year in 1926? It was even earlier, in 1886, that England won three consecutive Test matches against the traditional in a home series, although it has done it several times since.

It is little more than two years ago that the English side came from their Australian thoroughly beaten, dispirited and demoralized. A side of Australian supremacy predicted. That the tables been so completely turned largely to the credit of He took over a side being

compared with the very worst in England's cricketing history, made its members believe in their individual and collective abilities, and by his own flamboyant, perhaps over-aggressive example instilled confidence into a team that had become accustomed to losing. In particular, his insistence on the importance of good fielding has paid handsome dividends. The superb athleticism and sticky fingers of the English side contributed in large measure to its success.

It is not disparaging to the virtually flawless captaincy of Brearley to say that he inherited the enthusiasm and motivation to perform splendid feats. He took over, nevertheless, at an unsettled time in less than happy circumstances, and with great tactical perception, went on to lead England's team to comprehensive victories in three matches. That makes him a very good captain indeed.

The dominant memory of the Test series will undoubtedly be of Boycott, returned like some bearded prince to assume his birthright, bestirring the narrow crease like a knight, suspending belief in the possibility that his wicket, too, could fall like that of mere cricketers. But Boycott is already of a certain age. In the longer term, the youth of all but a few members of the team and the sudden embarrassment of talent among even younger players promise well for the future of English cricket.

There are those of little faith who say that the Australian team was the weakest ever sent to these shores, and that they were worried by the unmentionable commercial activities that have formed a backdrop to the season (why then did Greig, Knott and Underwood not suffer?). Why entertain such quibbles? England have achieved a magnificent victory. The Ashes are back. It is a time for every Englishman to feel proud.

DIA'S LOWEST AND POOREST

Change among the peasant population of India moves at its slow pace. Even a government as zealously wedded to the cause of the poor as the Congress, after repeated pogroms and constant punishment of the tapes of propaganda nearly thirty years, finds in villages that the ancient custom of marriage are very little changed. The "bride price" still to be negotiated, the wedding celebration may still nearly the family that foot the bill, and when it comes to inheritance, sons, not daughters, still get anything that is going.

Mr Morarji Desai, India's Minister, promising to end oppression of the country's 15 million untouchables in a book marking the thirtieth anniversary of Indian independence, must expect a wary scepticism at his expectation of putting an end to the centuries of suffering from which these people have suffered. Was not Mahatma Gandhi who named them the "untouchables" who expected that the Congress Party would set about transforming their lives? And yet thirty years what has happened?

The Indian answer would be to point to the legislation. In the Untouchability (Offences) Act listed the crimes not untouchables: prevent them from entering temples, ring prayers, taking water in a sacred spring; stopping them from using any shop, restaurant, hotel, hospital, school

or sanitary convenience not set aside for them. And if that legislation had even less effect than the no less well-meaning laws promoting land reform, there was other evidence of betterment to be offered in the one seventh of seats in the legislature reserved for Harijans. What more commanding figure in Indian political life in the past thirty years has there been than Mr Jagjivan Ram, a keen gatherer of the untouchable vote?

All the same, the average Indian village still has its bundle of houses removed from the rest of the village where children are born and live lives not much distinguishable from the lives of their parents, forbidden access to all places deemed appropriate to caste Hindus, limited to employment as sweepers and such other lowly occupations as tradition has assigned to their class. Mr Jagjivan Ram notwithstanding, the untouchable who gets a good education and finds a reserved place in the civil service is a rarity among his kind.

While Mr Morarji Desai's sentiments need not be questioned, the reason for his promise of change within five years being made now is political. With the Janata Government comprising the strongly Hindu Jan Sangh and the scarcely less conservative wing of Congress followers Mr Desai, it was assumed that this would not be a government particularly progressive on matters of caste. Our New Delhi

correspondent last week reported the grim case of a village in Bihar state where one untouchable was shot and seven others were burnt to death by a gang. In Gujarat another young untouchable who married a Hindu girl of higher caste was harassed, despite police protection, and eventually stoned to death. Mrs Gandhi, who has been working hard to restore her status as a Congress Party leader, visited the Bihar village where the atrocity occurred and has been making the issue one to attack the Government.

In face of this Mr Desai may seem to occupy an equivocal position. He has been a symbol of resistance to the restrictions of Mrs Gandhi's emergency for which he suffered imprisonment but he has also a sternly ascetic figure of a conservative Hindu type. Is his return to Mrs Gandhi by his promise of a new deal for untouchables any more than a part of the political debate? Or does he feel moved by the same sentiments that made Gandhi take up the untouchable cause? Either way it might be too much to hope that speeches celebrating India's thirtieth year of independence can promise faster change for people many of whom accept without question the place in life to which they were born—to all its disabilities. Even a country as progressive socially and economically as Japan in the past thirty years still has its *burakumin* similarly suffering from low-grade employment by birth.

Think Tank and BBC jobs

From Mr Paddy Leech and Mr Charles Harkness
Sir, The Association of Broadcasting Staff and the National Union of Journalists represent the staff of the external broadcasting services, the monitoring service and the stations responsible for the transmitting of the programmes of the external services of the BBC. We were appalled by the recommendation of the CPSRS but have been heartened at the reaction of informed opinion and of the distinguished correspondents who have written to you.

The impact on the staff of the external services if the recommendations were to be implemented would be horrific. The BBC has informed us that some 400 or more staff posts would be lost. The loss of so many jobs to specialist broadcasters who are not alternative employment would be catastrophic to the individuals affected. The impact on the service itself would be particularly dangerous. In Sir Hugh Greene's letter to you of August 11 he said that the BBC is not something that can be turned on and off like a tap. How can public service broadcasting be expected to recruit staff of the specialist character needed if they fear that external service broadcasting will be switched on or off? It amazes us that such damage to the service could be contemplated when the net effect of the changes would be to reduce programme hours by 40 per cent in return for a saving of only 10 per cent on operating costs.

Where external service broadcasting is concerned our policies have been consistent over the years, and we believe, validly so. In a submission to the CPSRS the General Secretary of the CPSRS, Tony Heath, made the following points, amongst others:

(i) It was necessary to understand that the reputation of the BBC has depended not only on the veracity of its broadcast material but also on the fact that so far as has been possible the services have been comprehensive and universal;

(ii) Any indication that broadcasting is being directed to specific sectional audiences for specific purposes induces the suspicion that its objectives are propaganda and its credibility is reduced;

(iii) It is equally important to broadcast in the vernacular to friendly countries as to those whose policies may from time to time appear to be antagonistic to those of the British Government of the day;

(iv) The ABC believes that for the BBC to be required to surrender the role it has played as an international broadcaster, during and since the war would be an act of historic folly. It argues that what is at issue is not merely the projection of the British way of life and ideas, but the replacement of the globe by the broadcast programme. It is the contribution that broadcasting can make, and can make more cheaply and more effectively than any other agency, to the world wide dissemination of the values and ideals and values for which the western world in general and the United Kingdom in particular stand. If we cannot afford the price for this, we can afford nothing.

We shall be submitting detailed criticisms to the report to the Foreign Secretary and we hope that the volume of protest will continue to grow and be maintained until Parliament reassembles.

Yours faithfully,
PADDY LEECH,
Deputy General Secretary,
Association of Broadcasting Staff.
CHARLES HARKNESS,
Deputy General Secretary,
National Union of Journalists,
King's Court,
2/16 Goodge Street, W1,
August 12.

From Mr H. C. L. Fassinidge
Sir, It is the Diplomatic Service and the official report services as well as the good work of your correspondents say they are, then, seeing that no other major exporting country has anything comparable, is it not strange that our economy is so rich?

Does export performance vary in inverse proportion to the official facilities available? From experience and observation I would say that it is just possible that it does.

Yours faithfully,
H. C. L. FASSINIDGE,
Director of the Export Services,
St Margaret's Hill,
Bradford on Avon,
Wiltshire,
August 10.

From Mr C. J. Saville Glanvill
Sir, I suggest that Mr Winkelman (August 10) has fallen into grievous error. He forgets that his task is to compile an atlas in English for the English. With that premise, everything falls into place, and Copenhagen and Ceylon, Carnarvon and Majorca are seen as proper names with their vernacular styles cross-referenced in the gazetteer.

It may be, as he says, that travel agents will not be able to place Rastbury without a gazetteer, but that is nothing more than a defect in their own education. One party or the other will have to provide a cross-reference: courtesy and good practice lay that obligation on the trader.

There is too much eradication of mere English by subtle pressure which I suspect is based on the snobbery of those who have been there and like it to be known. For instance, when I was at school, the Scots were a more than usually barbarous variety of primitive Irishmen and the Scotch lived north of the Border: this usage has been almost entirely displaced by the solemnism. So too, have Majorca and Minorca faded away from current English in the last ten years.

Let us stand up for English for English eyes and ears, and demand revision of *The Times Atlas*.

Yours faithfully,
C. J. SAVILLE GLANVILL,
15 Highfield Road,
Edgbaston,
Birmingham,
August 11.

From Mr C. J. Saville Glanvill
Sir, Having read with some surprise Mr Moonman's Ballad of Holloway in your issue of August 8, his uncalculated attack on me as well as the omission of any pre-history of the case makes it necessary for me to reply.

I am surprised that Mr Moonman did not hear of the intended demolition until a cleaner at the prison drew his attention to it. As early as in May, 1969, Islington Borough Council asked the GLC Historic Buildings Board if any features of the building were worthy of preservation. The meeting of the Board on November 11, 1970, decided to make no comment on the proposals for the demolition of Holloway Prison.

The officers' report to the Board had, however, stressed that the prison "with its radial plan form is a feature of considerable architectural and historic interest and is the last major intact work of James B.

Protest marches in a democracy

From Mr Anthony Grant, MP for Harrow Central (Conservative)
Sir, It is not time to question the whole "protest" industry and the "right to march" in particular? Is not democracy as concerned with the rights of the majority as expressed peacefully through the ballot box as with tiny fanatical minorities?

If the purpose of a march is to gain publicity, what dire consequences to liberty would flow if protesting minorities had to hire a hall or a field, where, in full gaze of the television cameras, they could protest (and even fight within reason) to their hearts content without interfering with the rights (all too often forgotten) of the peaceful, law-abiding majority?

If, on the other hand, the purpose of a march is to have a "punch-up" it is the very negation of freedom and of democracy.

We should heed the words of Pinot: "I have seen the French Revolutionaries—men extremely in all save humanity use the cry of 'Liberty for the many' as a stalking-horse to provide licence for the few."

Yours faithfully,
ANTHONY GRANT,
House of Commons.

From Mr Roger Hiskiey
Sir, We must not provide opportunities for the National Front and the extreme left wing parties to capture the headlines. Both of these extremist wings of our politics are small and command the support of only a very small part of the electorate. At the same time it is necessary to ensure that democratic processes exist, even for these extreme and minority parties.

During the recent campaign for the GLC elections, I refused to appear on a radio platform with other candidates because the National Front candidate was excluded. I did this, not because I had anything in common with him, but because I believe we must defeat the extremists by democratic means. I was hit on the head with sticks, had over spray sprayed in their eyes and throats, were attacked with bottles, etc. etc. Although I have a good deal of experience of demonstration reporting—both here and in the States—I had two teeth knocked out.

Is this your idea of relative peace?

Yours sincerely,
JUDITH COOK,
5 Bramerton Street, SW3.

Lewissham seriously, and I would suggest that in future any march by the National Front or the extreme left be permitted to go ahead, but any counter demonstration by either of these parties, planned for the same vicinity and time, be banned by the Police Commissioner or the Home Secretary.

Our objective must be to contain the extremists and demonstrate to all the relative smallness of their support—but at the same time stop them fighting each other and the police in our cities.

Yours faithfully,
ROGER HISKIEY,
Member of the GLC for West Lewisham,
Members' Lobby,
The County Hall, SE1.

From Mr Thomas Hackett
Sir, The scenes at Lewisham yesterday (August 13), of which I have recorded on television, one must assume were representative, were foreseen by many and should have been forestalled by the banning of both demonstrations by the authorities.

To put at risk the public and the police by allowing the marches on the grounds that this was the cost of liberty, especially when the marchers themselves clearly had no interest in its defence, is to squander the principle of a free society and strong justification to those who would suppress it totally.

Yours faithfully,
THOMAS HACKETT,
12 Midhurst Avenue, N10.

From Miss Judith Cook
Sir, I note in today's *The Times* leader that the National Front march in Harrogate is said to have passed off "relatively peacefully". I note this as a reporter and wonder if the reason for this statement was the fact that your paper did not appear to send anyone along.

Over 50 people were hurt—one had a crushed entire body—they were hit on the head with sticks, had over spray sprayed in their eyes and throats, were attacked with bottles, etc. etc. Although I have a good deal of experience of demonstration reporting—both here and in the States—I had two teeth knocked out.

Is this your idea of relative peace?

Yours sincerely,
JUDITH COOK,
5 Bramerton Street, SW3.

Nuclear hearings

From Mr Nigel Haigh
Sir, Two months ago in his first public speech in Britain, the Belgian President of the European Environmental Bureau spoke of the dangers of not providing data and opportunities for public discussion on policies for a rapid expansion of nuclear power. The recent demonstration against the French fast breeder reactor is only the latest in a series of incidents which show how serious the situation could become.

The Bureau, which brings together voluntary environmental (or "ecological") bodies in the nine member states of the Community and which is used as a sounding board by the Commission on environmental opinion, had just held a seminar in Strasbourg at which speakers from each member state described how nuclear matters were debated in their own countries. Despite our differences of approach we all recognized the international nature of the issues not least because of the Euratom Treaty.

In Britain a combination of factors has so far ensured that a nuclear debate has been conducted calmly. These include the fact that no new nuclear power stations are being built, but also relevant are the solid and searching report of the Royal Commission: the Windscale Inquiry, the suggestion to hold something like a planning inquiry

commission before building any commercial fast breeder reactor; the work of energy demand projections published by the Department of Energy and now being done by the Department of the Environment; and the recent White Paper which speaks of "the need for a high level independent body to advise on the evidence on the interaction between energy policy and the environment".

Collectively these are attempts by government to create the groundwork for a consensus for an energy policy with whatever nuclear component (if any) emerges as appropriate. International projects like the Super Phénix in France require an international extension of such procedures. It is not only the German and Swiss who are affected.

It is therefore significant that the Commission of the European Communities—which has in the past expressed firm views on the need for a large nuclear programme—has decided to begin hearings later this year to ensure that the Community participates in the Europe-wide debate on nuclear power."

Yours faithfully,
NIGEL HAIGH,
Vice-President,
European Environmental Bureau,
c/o Civil Trust,
17 Carlton House Terrace, SW1,
August 3.

Press Council reform

From Mr Henry R. Douglas
Sir, Lord Longford's speech (report, August 8) that the Press Council's finding in favour of the *News of the World's* article opposing parole for Moors murderer Myra Hindley, encourages me to suggest that the Press Council on lines proposed by the Royal Commission on the Press.

The only Commission proposal which could conceivably affect the outcome of such a complaint proposes that the proportion of lay members on the Council should be increased. On the vital complaints committee there are already equal numbers of lay and press members and in the periodic case in question 1, as a press member of that committee, but also an employee of the company producing the *News of the World*, took no part. Thus the case which concerns Lord Longford was in fact heard before a committee with an absolute majority of lay members.

Yours faithfully,
HENRY R. DOUGLAS,
News Group Newspapers Ltd.,
30 Boulevard, EC4.

Holloway 'Castle'

From Mr Louis Bondy
Sir, Having read with some surprise Mr Moonman's Ballad of Holloway in your issue of August 8, his uncalculated attack on me as well as the omission of any pre-history of the case makes it necessary for me to reply.

I am surprised that Mr Moonman did not hear of the intended demolition until a cleaner at the prison drew his attention to it. As early as in May, 1969, Islington Borough Council asked the GLC Historic Buildings Board if any features of the building were worthy of preservation. The meeting of the Board on November 11, 1970, decided to make no comment on the proposals for the demolition of Holloway Prison.

The officers' report to the Board had, however, stressed that the prison "with its radial plan form is a feature of considerable architectural and historic interest and is the last major intact work of James B.

Bumling". The chief interest centred on the radial plan form in the history of prison reform, not on the facade.

The Board's decision was taken on account of the undoubted conflict between the existing architecture and the modern needs of the prison service. For that same reason, a conversation with the present Governor of Holloway convinced me that the retention of part of the original building would seriously hamper the modernisation of that outdated, almost medieval prison. My own interest centred on the educational aspects, as my chairmanship of the Holloway Adult Education Institute—which is in charge of education at Holloway and Pentonville prisons—had impressed upon me the urgent need for reform and improvement of the physical set up.

Finally, I may interest your readers to know that the revised statutory list for Islington issued by the DoE on September 29, 1972, did not include Holloway Prison. My thorough canvass of North Islington electors during the recent GLC elections demonstrated clearly that most of those living in close proximity to the old "Holloway Castle" did have no affection for the building and were in no way concerned with its impending disappearance which was common knowledge at that time.

Yours sincerely,
LOUIS BONDY,
Member of the GLC for Islington North,
Members' Lobby,
The County Hall, SE1.

Examination grading
From Dr David Bard
Sir, It is really in the best interests of candidates to record "O" level failures? When I was at school, it was possible for those of us pupils "of moderate ability" who passed at second or subsequent sittings to conceal earlier attempts. It seems that this obfuscation is denied to our successors.

Yours faithfully,
DAVID BARD,
3 Sloane Court,
34 High Street,
Trumpington,
Cambridge.

Pay policy and rule of law

From Mr W. J. Hopper
Sir, Denis Healey said on July 15, with reference to the enforcement of the Government's incomes policy: "Where a company has reached a settlement which is quite clearly inconsistent with the policies set out in this statement, the Government will take this into account in public purchasing policy and the placing of contracts and also in the consideration of industrial assistance."

Does this not represent a formal abandonment of the doctrine of the Rule of Law, and, if one of the two great parties which govern this realm has abandoned this doctrine, is not liberal democracy dead in the land of its birth?

As I understand it, the doctrine of the Rule of Law lays down that society should be governed by rules known in advance by those subject to them and applying equally to all. According to this doctrine the consequences of violating those rules must be predictable. The Government's rules seem to consist of "throw away remarks" by ministers and the consequences of violating them are unknown and unknowable. How and when they will be enforced is not laid down, nor the scale of punishment.

There is (apparently) no right to a hearing or to legal representation and there is no appeal. A minor "infringement" which irritated a minister or civil servant could attract the equivalent of a multimillion pound fine. A major "infringement" could be disastrous if the Government deemed it politic to do so. If Mr Healey is to be believed, the British state is now in an important respect arbitrarily governed and therefore is not a precise technical term) totalitarian.

Is there succour in the courts? I have in mind that a minister or civil servant who damages a private individual without benefit of statutory authority or prerogative power may be suing *ultra vires*.

HM Opposition has asked for clarification but what is there to be clarified? Either we live under the Rule of Law or we are subject to the whims of ministers and their advisers. The colour of one's eyes is going to make very little difference.

Yours faithfully,
W. J. HOPPER,
15 Chesport Villas, W11,
August 10.

Royal holiday

From Mr Gerard Fane
Sir, Her Majesty the Queen and the Duke of Edinburgh are having a break in their strenuous programme of engagements for the Jubilee celebrations, which has so far taken them to the remote corners of the United Kingdom and to many Commonwealth countries around the world, and there is more to come.

The Queen has fulfilled these engagements with courage, cheerfulness, a happy smile for everyone and, perhaps above all, a determination that no one should feel disappointed, that has aroused deep feelings of affection and admiration in the minds of millions of her people. But could any viewer of recent television programmes have failed to notice the occasional "flash" when the tax upon the Queen's summing seemed to be nearing the limit of her endurance?

Now we have a chance to express a modest "Thank you" to the Queen and the Duke of Edinburgh by asking the public, the press, and also our visiting tourists from overseas, to ensure that they enjoy the very maximum of privacy for themselves and their family during their holiday in their Highland home.

I feel sure this simple suggestion reflects the wishes of many thousands of folk who, like the writer, are glad to be among Her Majesty's loyal subjects.

Yours faithfully,
GERARD FANE,
Feering Place,
Kelvedon,
Essex,
August 14.

'Don Giovanni'

From Miss Deborah Nash
Sir, I was distressed to read Paul Griffith's review of last Monday's Promenade concert (August 8)—the Glyndebourne production of Mozart's *Don Giovanni*—in *The Times* of August 10.

In the first place, he admitted that he had not actually attended the performance being rather contented with the production of the opera, especially those which are semi-stage. However, for those of us who cannot afford the luxury of visiting Glyndebourne itself, Monday night's performance was a splendid substitute.

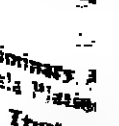
The Albert Hall cannot be the easiest of places in which to perform an opera but, with the aid of a few props—just enough to stimulate the imagination—the atmosphere in the hall on Monday night was soon transformed. Much of the credit for this transformation must surely go to Richard Van Allan, whose lively depiction of the servant Leporello was a pleasure to watch as well as to listen to.

Mr Griffith rightly praised the conducting of Bernard Haitink and the very fine singing of Hurlana Bransteanu (Donna Anna), but no mention was made of the delightful ensemble singing by all the soloists. It is rarely that one has the opportunity to hear such musically sensitive singing.

Finally, may I take the opportunity to thank the Glyndebourne Opera Company for bringing such pleasure to so great a number of people?

Yours sincerely,
DEBORAH NASH,
30 Chesterford Gardens, NW3,
August 12.

Army nicknames
From Mr Reginald Bosanquet
Sir, Thank you. I am not much wiser but much more entertained. Yours faithfully,
REGINALD BOSANQUET,
111 Home,
48 Wells Street, W1,
August 10.



BY THE FINANCIAL EDITOR

Can interest rates fall further?

Gilt were a lacklustre market yesterday, not so much because of worries that last Friday's further half-point drop in Minimum Lending Rate was suggesting that the decline in domestic interest rates had run its course for the moment but mainly as a result of technical factors overbalancing the market.

Essentially these stemmed from last week's heavy over-subscription of the long "tap" which has temporarily blown away the speculative froth from the market.

So far as United Kingdom interest rates are concerned, however, these still appear to be taking their cue from the strength of sterling where official policy is apparently to allow the exchange rate to gain further ground, at least against the dollar. Along with the deepening recession indicated by the latest unemployment figures and the more encouraging news last week on the retail prices front, therefore, there seems little reason to expect interest rates to rise in the short-term.

Undermining this view, it is true, is the continuing inflow across the exchanges which could yet threaten the Government's control of the money supply. Even so, gilt sales should have ensured that money supply in the August banking month will not upset the IMF and the money supply figures on Thursday should confirm that M3 growth is quite consistent with the present interest rate pattern.

The steepness of the yield curve, admittedly, does not exactly support the view that interest rates are due to slide gently with longer term rates 3 per cent and more above those available on shorter gilts.

But the market has been living with yield margins of that order for some time now and does not seem to be unduly perturbed especially as among the longer-term stock themselves the curve starts to flatten perceptibly.

Meanwhile, last week's removal of the supplementary special deposits constraint on the banks at a time when the corset was threatening to bite for the first time has also been interpreted as a sign that the authorities are happy to let short-term rates continue to decline, especially as its suspension could be a prelude to further easing of exchange controls.

Again, the clearing banks' decision yesterday to hold their base rates a little longer also suggests that there is very little that can be done to get loan demand up so there is unlikely to be any pressure on interest rates from this quarter until the end of the year.

Next year, of course, a possible wage explosion and maybe even a reflationary package will upset longer-term confidence. But for the next few months at least rates look set to remain where they are whatever is happening across the Atlantic, which I refer to below. So there should still be some mileage in the gilt market for the time being.

US interest rates
Turning up at last

While British interest rates have been dropping steadily during the past two weeks American rates have been almost equally resolutely moving the other way. The rise is long overdue.

The real growth in the United States economy in the first half of this year has been truly impressive, reaching 6.9 per cent in the first quarter and 6 per cent in the second. But until recently, interest rates have shown little response. This is partly because companies entered the present upswing with unusually strong balance sheets and also because they have found it worthwhile to by-pass the banking system, using the bond and commercial paper markets as a prime source of finance instead. What upturn in bank borrowing there has been has concentrated very much in the regional banks and the big money centre banks remain highly liquid.

But there is growing evidence that the money supply is expanding at a faster rate than the Federal Reserve Board's targets (now 4-5 per cent in the narrowly defined M1) allow. Two weeks ago the Fed moved to counter this trend after some particularly poor money supply figures, and since then the key Federal funds rate has risen by around half a point. Both Fed funds and 90-day commercial paper rates are now only a shade below 6 per cent.

Few observers expect the upturn to stop

here, but there are some grounds for thinking the momentum could slacken. Growth in the second half is expected to be rather more subdued than in the first, perhaps more of the order of 4-5 per cent. Federal spending is turning out below budget estimates so the Treasury's financing task later this year should be easier than previously expected.

Economists also argue that there is no historic evidence to suggest that exchange rates are a factor in determining United States interest rate policies and that the weakness of the dollar can therefore be discounted as a factor pushing rates up.

This is not to say the pressure will be off interest rates entirely, however. The trend growth of the American economy is reckoned to be 3.2 per cent, so even at the reduced levels of the second half growth should be such as to ensure that the already higher levels of capacity utilization and inventories will go on rising.

When all of these factors are balanced, the prospect seems to be one of gradually rising interest rates for the rest of this year, but few observers are now expecting much more than a general increase of perhaps 1-2 of a point.

Oils

The market veers towards Shell

A potentially depressing factor in British Petroleum's share price was removed at the weekend with the decision of the American Federal Energy Administration that Alaskan oil would be treated as a foreign import and would, therefore, escape having to comply with the lower domestic price structure. But it is to Shell that the stock market is increasingly looking as the better investment at current prices.



Sir David Steel, chairman of British Petroleum (left) and Mr Michael Peacock, head of Royal Dutch/Shell group.

This is hardly surprising. BP had a strong run-up in advance of the offer-for-sale and Shell could have been expected to regain its relative position. After weakness in the first quarter, the oil sector as a whole has shown some recovery in the second quarter, led largely by Shell, and the second-quarter figures, due on Thursday, should provide more interest, hopefully offering a better guide to the underlying trend than the first quarter, which was so distorted by stock prices.

Despite the Alaskan decision, BP's chances of outperforming the market are not strong. The possibility that imports to East and West coasts would be treated differently, with the West priced on the domestic scale (which could have meant, perhaps, a ten per cent cut in current year earnings of 90p or so) does not seem to have been taken seriously in the United Kingdom, and any price correction already seems to have taken place. The 2p fall in BP to 920p yesterday was hardly significant one way or the other.

The case for Shell rests on its quality of earnings and the prospects of a sharply improved dividend pay-out from July next year, if restrictions are lifted.

Its improved rating has managed to live through the slightly disappointing absence of any action on dividends before the Summer recess, and its supporters point to future earnings from the North Sea, an improved position in markets and investment in chemicals, which taken together could double earnings in four years. BP will do that in two, but its share price is discounting the growth, while Shell's at 563p is not.

After years of waiting, North Sea oil is at last starting to make a considerable contribution to Britain's current account balance of payments.

Over the next decade or so that contribution will build up rapidly from around £1,400m this year to £4,300m by 1980 and £7,600m in 1985.

But just how important is North Sea oil, how it will really affect the economy and how the United Kingdom can and should use it to the best advantage are the most important economic questions facing the nation today.

The answer to the first is easier to answer than the others. As the tables show, the build-up of production will be rapid until 1980 and then will slow down quite dramatically. Assuming that there are no great surprises, Britain will within a few years be a considerable second-rank producer of oil.

This is a long way behind the really massive producers like Saudi Arabia, which in 1974 produced well over 400m tons and was increasing output at over 20 per cent a year. It will put the United Kingdom somewhere near the level of Nigeria or Libya, and, on most estimates, of oil consumption, ought to make us at least self-sufficient.

These estimates of production are subject to very considerable margins of error, particularly in later years. Oil fields may dry up early or they can be more fruitful than expected, and movements in oil price have quite dramatic impact on the willingness of operators to open up new wells.

However, most outside forecasts of the available reserves tend to be either at the top end of the Department of Energy's range or above it. Thus the department's estimate of the total scale of proven and probable reserves from the areas licensed up to now of around 2,300m tonnes (worth over £100,000m at today's prices) may turn out to be cautious.

Getting out that oil, of course, is going to cost money, just as proving that it was there has cost money already. Total investment in the North Sea (gas as well as oil) cost around £5,000m and it is now running at £2,000m a year. If uncompleted projects and new developments are lumped together about as much again remains to be spent by 1980.

In both 1975 and in 1976, investment in the North Sea was for a quarter of all the investment in industry.

In reality, not all of this investment can be thought of as having been switched from some other industry and thus representing a cost to the economy. Much of it is used resources which would otherwise have gone unused and was financed by foreign inflows of capital which would otherwise not have been available.

It is nonetheless an enormous programme, something like ten times the amount of money allocated through British Leyland for saving domestic production of cars. Nor do the costs stop there. Operating costs in the North Sea are high by world standards.

The second and third lines of the table above put this in context, however. By 1980 Britain will produce oil worth something like £6,000m for an operating cost of £500m (excluding capital costs), a good bargain by anybody's standard. The remainder is accounted for by royalties and profits.

The easiest way of assessing the impact of the North Sea on the economy is to start by looking at its effect on the balance of payments. The Treasury in its study of the im-

TREASURY ESTIMATES OF INCOME FROM OIL AND GAS PRODUCTION

	1976	1977	1978	1979	1980	1981
1. Oil and gas sold	1.0	7.2	3.9	5.3	6.0	7.0
2. Goods and services bought outside the "sector"	0.1	0.2	0.3	0.3	0.4	0.5
3. Employment income	0.1	0.1	0.1	0.1	0.1	0.1
4. Total royalties plus profits before tax	0.8	2.4	3.5	4.9	5.6	6.4
5. Of which interest, profits and dividends due abroad	0.1	0.8	0.8	1.4	1.7	2.1
6. GNP at market prices arising within the "sector" (equals line 3, plus line 4, minus line 5)	0.7	1.9	2.6	3.7	4.0	4.9
7. Net balance of payments effect	0.9	2.1	3.4	4.5	4.9	5.9

Source: Economic Progress Report

David Blake, Economics Correspondent, examines the directions open to the nation as offshore production builds up

part of the North Sea makes one quite plausible assumption (that the price of oil will stay at its present level in real terms) and three more questionable ones.

These are that oil consumption, the exchange rate and the unemployment level are all unaffected by the presence of the North Sea flow. The last two of these assumptions are most unlikely to be fulfilled but that does not detract from the fact that making them is a sensible way of forcing all the benefits of the oil to show up in terms of the balance of payments.

This oil is only just starting to move into Britain's favour on the current account. In 1975, the first really big year of expenditure, there was a current account deficit of £510m because of the oil programme.

Last year there was a very small deficit and this year for the first time there should be a surplus of about 1 per cent of GNP. By 1980 that gain will be up to around 4 per cent of GNP and by 1985 it should be 7 per cent.

These figures are higher than the actual proportion of GNP which is expected to come from the North Sea by then (3 per cent in 1980, 4 per cent in 1985) because, as line 5 shows, the fact that the current account will be in better shape will allow the United Kingdom either to borrow less or lend more, thus improving the position in terms of interest payments.

That position could certainly do with improvement. Official borrowings due to be repaid by 1985 total just over £20,000m and although some of that could and no doubt will be rolled over, it presents a substantial cash on the resources available.

Substantial it is, but not anything like as great as the likely total gain to our balance of payments by 1985 from the North Sea is, around £40,000m at 1976 prices, which even on optimistic assumptions about the success of bringing down inflation in the world is something like three times as much as our official indebtedness.

So there will be a substantial improvement on current account which can be used as wished. To examine how it is likely to be used and how it should be used it is necessary first to look at the way that the money becomes available.

At the moment it is flowing mostly into the profits of the oil companies who are operating in the North Sea, where there is roughly a fifty-fifty split between British and foreign companies.

Year	1977	1978	1979	1980	1981	1982
Forecast production (m tonnes)	40-45	60-70	80-85	90-110	100-120	

Source: Department of Energy Brown Book 1977

This has had a remarkable effect on the share of profits in gross domestic product already. One fifth of all profits now come from the North Sea, and in the first quarter of this year they were responsible for increasing the profit share from around 6 1/2 to 8 per cent of GDP.

The other possible gain—employees and the government—have so far received little. It is unlikely that income from employment will ever be that great from the North Sea, because too few jobs are involved.

There were about 100,000 people involved altogether in the middle of last year, of whom 65,000 were in Scotland, and employment in some parts of the country has already started to fall. Even at its peak, employment directly from the North Sea will be small.

The great gainers will be the Government. Its share will start small because companies are allowed to write off their development costs. Over the years it will build up sharply, however. The various taxes and royalties that the Government collects will give it around 70 per cent of the earnings from the North Sea, or around £3,500m by 1985. It expects to get £5,000m altogether in the years to 1980.

That presages a very considerable improvement in public sector finances. It is rather like a Chancellor had discovered excise duty on drink all over again, or equivalent to about a fifth of the total yield of income tax. The key decisions about how to use the money from the North Sea thus lie directly with the Government in the sense that it will actually receive the money.

One snag it could do would be to hand the money over to the people rather than hold on to it itself, as a way of reducing the public sector deficit. Such an action, through tax cuts or increased public spending, takes us right into the area of how the money should be used.

For although North Sea oil has a potential balance of payments effect of the kind outlined above, it is most implausible to assume that the exchange rate would be held down to ensure that all of the advantages were taken on the current account or that all of the money would be used to reduce public sector debt.

Assume for the moment that the exchange rate were to be fixed at the same level

without North Sea oil, then the counterpart of the current account surplus on the North Sea account would be a heavy capital outflow.

This is because a balance of payments in what it says of the inflows are equal to the outflows and a deficit on the current account has to be financed by inflows on the capital account (official borrowing, for example) while a current account surplus results in either a build-up of reserves or lending abroad.

There may be some official reserves build-up and there could even be some official lending abroad, but the nature of the British economy is such that it is unlikely to be very large. The economy is likely to remain so weak under the constraints imposed by assuming that oil would not be used to reduce unemployment that there would be considerable public opposition to the idea of intra-government lending.

Some of the same objections apply to a relaxation of controls on movement of private capital. The idea of promoting an outflow of capital assumes that the rest of the world will be a more attractive place to invest than the United Kingdom. If it did not, then capital controls could be eased with no increase in the flow of funds abroad without having any effect on the balance of payments.

It seems unlikely that the sort of economic problems we shall have in terms of finding employment would predispose people to greater relaxation of outward movements, even leaving aside the fact that the rest of the world will be giving the tax take to foreign governments rather than to the United Kingdom Government.

That leaves as the obvious attempted response by the Government measures to make the rest of the balance of payments move more heavily into deficit than it already is.

There are two ways in which it could do this. One would be to allow the exchange rate to appreciate. This would involve spending the profits in the most extreme form. It would produce a heavy current account deficit on the non-oil side and, on past relations, increase the share of national income going to wages and cut that going to profits.

The gain would be that living standards would rise because cheaper imports would become available. The cost would come

from industries being put out of markets.

This latter alternative, which currently seems to be closer to the idea of the Government at the moment, would be to reflate the economy. This would be appropriate, of course, if it was believed that the balance of payments had been and would be a constraint on reflation. If governments could reflate as much as they liked with balance of payments difficult but not held back solely by domestic inflation, then the balance of payments would be irrelevant to this debate.

Another way of putting it would be to say that (domestically) "the level" of unemployment is either higher than the level of unemployment which is consistent with balance of payments equilibrium without North Sea oil, or more plausibly, that it is lower.

Whether that is true or not, crucially on what actions are taken to the natural level of employment and, of course, why it seems to have so very sharply in the past years. If it is assumed that the balance of payments has been a constraint on government action, then Mr Callaghan right that North Sea oil allow the United Kingdom to run the economy at a level of activity.

In terms of the question of how to do so, simply of creating jobs—perhaps even the public sector, since these are labour intensive.

In terms of the issue of stability, manufacturing for the period after the 1980s, on the other hand, Government has two options to look at. One way to cut taxes and allow the consumption of this would be to stimulate investment. Since roughly a fifth of the gain on investment is expected to be used to finance the effect of increases in through government action would lead to a further increase of about 10 per cent.

This is the way for the Government, and is the basis of the growth rate by, say, 1980 a year, by 1980.

The other route, which doubt will be pressed less in the Cabinet, will result in the joint and carried by the Treasury, the Energy Department, would be to try the Government's extra directly to finance state ment.

The debate over which to choose will be the key to the background between and Left in the coming 7

IMPALA PLATINUM LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND AND PRELIMINARY PROFIT STATEMENT

The Directors have declared a final dividend in respect of the year ended 30th June, 1977, of 20 cents, South African currency per share which will amount to R2,400,000. Dividends in respect of the year have thus totalled 70 cents per share, absorbing R8,400,000. (Year ended 30th June, 1976: the same).

PRELIMINARY PROFIT STATEMENT—The unaudited consolidated income statement for the year ended 30th June, 1977, and comparative figures for the previous year show:

	Year Ended 30th June 1977	Year Ended 30th June 1976
Group profit for the year (Note 1)	R200	R200
Less: Taxation	33,110	32,8
Group profit after tax	992	2,0
Less: Minority interest in profit of subsidiary	32,110	30,7
(288 cents per share—(1976: 256 cents per share))	7	11,2
Add: Retained surplus brought forward	32,111	30,7
Prior year adjustment	14,408	10,0
Available for Appropriation	43,518	52,0
Dealt with as follows:		
Amounts transferred to Reserve for Expenditure on Mining Assets	24,752	32,3
Dividends to shareholders of Impala	18,767	19,7
Retained surplus	8,499	8,0
NOTES:		
1. The profit for the year was arrived at after charging in Impala's own account R6,599,000 for interest on loans (1976: R8,194,000) and R1,883,000 as a provision damages awarded against the company in its dispute with Colonial Metals, Inc. (1976: nil). As stated in the Interim Report dated 25th February, 1977, this award of damage is being contested.		
For the year ended 30th June, 1976, there was charged against the profit for the year in Impala's own accounts R7,125,000 for adjustments and realignments of foreign currencies and R892,000 as a provision for a doubtful debt. No such provisions were required in the year ended 30th June, 1977.		
2. Capital expenditure during the year ended 30th June, 1977, amounted to R8,981, (1976: R8,350,000). Capital expenditure for the current year ending 30th June, 1977, is expected to be of the order of R15,000,000.		
PROGRESS ON PROPERTY —The present planned rate of mine and refinery production the current financial year is unchanged at 700,000 ounces of platinum.		
MARKET —The market for platinum and platinum group metals and for nickel continues to be depressed in spite of increased demand by the automobile industry in the United States of America and Japan. Consumption in the traditional sectors remains at a low level demand from Japan for jewellery for most of the year under review was appreciably in excess of the previous year, as a result of excessive inventories built up by the middle 1976.		

On Behalf of the Board
I. T. GREIG
K. A. B. JACKSON, Director

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15th August, 1977

Business Diary: A tale of two citizens

Ross Davies, Business Diary's Editor, reports from Washington.

A Washington DC park policeman and a millionaire hotelier/restaurantier figure in a bizarre, alleged kidnapping attempt that never was which is disturbing the city's business community.

Policeman Paul Shepherd, 44, row awards trial for allegedly conspiring to kidnap J. Willard Marriott, the 76-year-old head of the \$1,000m-a-year Marriott business travel empire, in order to extort a \$500,000 ransom.

According to the police the kidnapping did not come off and the principal co-conspirators appear to have been two FBI agents who having got wind of the plot, posed as accomplices.

The two agents, with the co-operation of Marriott and his family, masqueraded as corporation employees. They drove up to the Marriott home in north west Washington in a truck, leaving later with a bag stuffed with blankets and pillows so it appeared Marriott was inside.

One agent is alleged to have telephoned "news" of Marriott's "abduction" to Shepherd. He in turn is said to have telephoned J.W.'s son, Bill, the president of the Marriott Corporation who, agents say, did a superb acting job when told that J.W. was in the bag.

Unfortunately for Shepherd, it was he who was in the bag. He was quickly arrested in his office at Washington DC Superior Court where he is a \$18,000-a-year liaison officer



Mr J. Willard Marriott: victim of a non-kidnap

between the court and the park police.

The case has agitated the Washington business community. Shepherd, it is alleged, several times had visited the Marriott house on official duty. Last year, the policeman escorted J.W. to a bi-centennial concert sponsored by the corporation in the grounds of the Washington Memorial.

You may recall that in writing from New York last week I described the fortunes of the city's soccer side—the Cosmos. Well, Washington has a soccer side, too—the Diplomats. And the Diplomats have just thrashed the Cosmos 2-1 to everybody's great surprise.

If Shepherd, a policeman, were found guilty of conspiracy to kidnap, then who can you trust these days, people ask.

It is ironic that the Marriotts should figure in an alleged kidnapping attempt, for they are currently purveying security to business people in a spectacular fashion.

The corporation's latest departure in the hotels field is a \$20m refit of the 865 roomed, 41-storey Essex House, a plush hotel on New York's Central Park South. Suites on the top 22 floors are being converted into condominiums which corporations are now buying as office accommodation cum entertaining facilities for travelling executives.

So far about a hundred have been sold at prices ranging from over \$120,000 to at least \$500,000, two of them I believe to British companies with United States tax bases which enable them to offset the cost by the generous tax allowances the Americans give for such property purchases.

But whom these two companies or indeed any of the companies who have bought property, may be, nobody outside the Marriott Corporation knows and nobody inside the corporation will say.

The key to the operation is security, whether from the attentions of kidnappers, terrorists or inquisitive shareholders. There are no nameplates either in the lobby or on the doors. The condominiums are not advertised and are sometimes bought through nominees. At the time first reports of the Marriott "kidnapping"

Clothing contractors have noted with approval the US Navy's new fashion consciousness. The ratings are to revert to bell-bottomed trousers and white caps after only two years of wearing a more formal uniform of coxy white shirt, black tie and peaked cap. The return to the old style reflects the taste of Admiral James Holloway, who has reversed the change decreed by his predecessor, Admiral Elmo Zumwalt. If only Holloway would reverse the Navy's long-established "dry" policy, liquor suppliers would be equally delighted.

were beginning to come through, I was in fact being shown around the Essex House by Ken Dowling, manager of the condominium development, known as Essex Towers.

Dowling, a former head of hotel security, showed me the console of nine television screens in the hotel which showed every movement in the entrances, lobbies and lifts.

He did confirm that in the hotel that day was Muhammad Ali and that a previous guest had been the trained chimpanzee J. Fred Muggs and trainer. But on the Essex Towers and its residents he would say not a word.

Frederick, a tiny town 40 miles northwest through the maize fields of Maryland, beneath the foothills of the Appalachians, is a great conurb with the bustling capital.

Yet Frederick is no less than Washington is a single industry town. If the capital's business is government that of Frederick

is just one aspect of Government defence. The decade-or-bumper stickers on the cars proclaim that just about everybody in Frederick is connected in some way or other with the local armaments base, Fort Detrick. The camp is both a communications centre, with a hotline to Moscow, and is also now home to a civilian establishment, the Frederick Cancer Research Centre, an international team managed on behalf of the Government by Litton Bionetics.

A routine globe on the base market how great a breakthrough recent practice is the presence of the cancer researchers. The Globe, as anybody in Frederick will tell you, was once a fermentation tower. Of the various hell's brews concocted therein, anthrax was one of the more benign.

Until détente became fashionable, Camp Detrick was an American version of our own Porton Down bacteriological warfare station.

And the locals say that some vintage Camp Detrick goodies are still stored beneath a nearby field.

Corporation policy-watchers spend a lot of time scanning the congressional record to see what is being said on the floor of the House and of the Senate. From now on, however, observers will be able to tell exactly what was said rather than what was merely intimated. A black bullet is to be used in the record to denote speeches which although printed there were never actually made.

LETT
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LETTERS TO THE EDITOR

Treasury packet to be handled with care

Mr Tom King, MP

It is of course any good news the economy must be well after our surfeit of gloom but clearly the Treasury's forecast for the year ahead is 1985 must be taken with caution. The Treasury's forecast for the year ahead is 1985 must be taken with caution. The Treasury's forecast for the year ahead is 1985 must be taken with caution.

as 1985 the margin of error could be so large as to make the figures virtually meaningless. Only last week came the news of a possible 70 per cent reduction in the yield of the Argyl Field. Earlier this year came the welcome news that the production from Forties should be substantially above the previous forecast. These two examples illustrate the difficulties of estimating the rate of extraction, a point simply exemplified by the fact that the Treasury's new estimate of production during 1985 is no less than 25 million tonnes lower than the figure predicted last year.

St Germans overdo criticism of British managers

Mr P. B. D. Bunyan

There were two points in criticism of British managers by West German executives. First, that British management is generally bad. Second, that British managers are overdone criticism.

and that British managers were in demand on the continent because of the United Kingdom's international skills, its adaptability to different environments and flexibility in the face of rapid change. By contrast the French and German executives were more reluctant to work abroad.

executives of the top British companies, including ICI, GEC, EMI, Boots, Marks and Spencer and Courtaulds, were from middle or working class homes with no large inherited wealth or family strings to draw them upwards. Indeed there are several who started on the shop floor and by their ability, determination and luck achieved their present position at the top.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Buyers nibble at the lower levels

After Friday's fall small buyers were tempted at the lower levels and though a little below its best the FT Index closed 2.9 up at 176.4. Anticipating a continuation of profit-taking, most prices were marked down in early trading. But as soon as it became apparent that small buyers held sway the process was reversed and by 3 pm the index stood 4.2 ahead of its best level of the session.

Dealers said that after a weekend for reflection the falling pace of inflation was an obvious incentive but they were mildly surprised that disappointment at the trade figures did not make more impact.

After standing way above the bid price from Hawker Siddeley, diesel engine manufacturer, the market's share of 850p have fallen back below the level of the paper offer, 840p. It closes today and with any chance of a counter bid from Rolls-Royce Motors, which was buying in the market, having receded, is expected to go unconditional.

Lower interest rates proved to be of little incentive to the gilt-edged market, where short dates, after a firm opening, gave ground on small selling to close one-eighth easier and a quarter off their best levels.

Longer dates held steady until after lunch, when a little selling was enough to bring losses of up to three-eighths by the close. At last week the industrial leaders were led ahead by Tube Investments which put on another 14p to 436p in the continuing hope of a dividend boosting rights issue with this week's statement.

Others to move ahead were GKN 5p to 328p and Bechtam 2p to 522p, but Unilever held steady at 488p in front of a statement due this week. After the terms from Turner & Newall, Storey Brothers soared to 136p but then fell back to 121p, a net rise of 11p in the day. There was continued speculative support for Kainers which closed a couple of points ahead at 119p, while talk that Pilkington may come with a counter offer for Redfern Glas boosted its shares 3p to 299p. Pilkington held steady at 430p.

In the building sector Tunnel Cement fell back to an unchanged 20p after early speculative demand, while Ellis & Everard put on a couple of pence to 2p in spite of some disappointment with the full year figures. Comment helped Redland to rise a point to 117p. In the food sector sociolists stocks like Wheatthief 4p to 197p and Nardin & Peacock at 84p were in good form, but Tesco edged half a point to 43p on a "sell" recommendation. Elsewhere in the sector J. Lyons continued to recover, up 2p to 92p, while another issue returning to favour is Tate & Lyle which closed 2p to the

good at 214p. Over in shipping talk that European Ferries, off 1p to 81p, might be lining up takeover terms for Furness Withy had the latter's shares 5p ahead at 330p. But Ocean Transport clipped 4p to 153p after comment had highlighted the problems of container shipping with South Africa.

After recent weakness Lucas rallied 3p to 201p while in oils the good spots were to be found in Oil Exploration, 6p to 248p and Ultramar, 7p to 223p, the latter still reflecting last week's figures.

Some concern over madrigals had the clearing banks trading a penny or so lower with National Westminster at 230p, Lloyds, 224p, Barclays, 274p, and Midland, 284p. In properties Peachey recovered from 40p to 45p, a gain of a penny on today as cheap buyers came in after the recent setback. The annual report had Alliant a couple of pence higher at 174p while Capital & Counties held steady at 20p in front of figures later this week. Results were good for rises of 4p to 172p for Blagden & Trafalgar House Investments.

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
£m	£m	£m	per share	pence	date	total
C. Baynes (I)	0.89(0.63)	0.15(0.09)	—	1.23(1.0)	—	—(3.0)
Blagden & N (I)	21.09(17.31)	2.12(1.69)	14.1(11.5)	2.32(2.38)	—	—(1.1)
Carrollton Int (F)	6.44(4.34)	5.01(3.5)	—	2.07(1.03)	3/10	3.07(1.03)
CCH Int (I)	2.81(2.15)	0.19(0.14)	—	—	—	—
Danks Gwinn (F)	17.29(12.12)	0.94(0.92)	22.6(17.1)	1.62(1.42)	—	2.33(2.12)
Ellis & Everard (F)	37.15(31.49)	1.05(1.05)	3.1(3.1)	3(3.5)	—	5(5)
Everard New & F (F)	—	0.01(0.03)	2.46(2.75)	1.51(—)	21/10	1.51(—)
Impata P (F)	—	3.11(3.2)	—	30(32)	—	70(70)
Scot Road (I)	6.61(2.98)	0.23(0.29)	—	—	—	—
W & E Turner (I)	4.07(3.2)	0.18(0.15)	1.01(0.83)	0.51(0.46)	3/10	—(1.55)
Vibroplant (F)	6.75(5.63)	1.85(1.75)	14.81(12.9)	3.84(3.52)	10/10	9.51(9.21)
Wagon Fin (I)	4.58(2.81)	0.81(0.64)	5.57(4.05)	1.35(—)	3/10	—(2.75)
Vegetabundant (I)	—	0.84(0.71)	5(4.7)	2(3)	28/9	—(7.5)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.515. Profits are shown pre-tax and earnings are net. * Loss. † Figures are in Rands and cents.

Same-again Ellis & Everard sees brighter times ahead

By Alison Mitchell

Builders and chemical merchants Ellis & Everard are having to run hard to stand still. On sales up 18 per cent to £37m, the group produced a same-again pre-tax profit of £1.06m in the 12 months to April 30 last.

However, Mr Anthony Everard, chairman, is confident that the future looks brighter. In the first three months of the current year, sales in the building supplies and materials division show an improvement

—in financial terms—on the same period last time. Two loss-making branches have been closed down and there has been some consolidation of showrooms. Coupled with this, the group is expanding into the home repairs and improvements sector.

Business appointments

Lord Shackleton's post

Lord Shackleton, deputy chairman of Rio Tinto-Zinc, is to become chairman of the East European Trade Council in succession to Lord Kearton. Mr James Watson has been appointed director of finance of the National Freight Corporation. Mr W. W. MacDonagh, formerly group financial controller, Ellerman Lines, becomes a joint managing director of Ellerman Travel & Leisure.

Mr Piers D. C. Eley and Mr Bu Jagd have been appointed associate directors of Nordic Bank. Sir Philip de Zurena has been named an additional director of Gibbs Mithrand. Dr Mariano Giordano has assumed the duties of finance director of Montedison, replacing Dr Ercole Caccatelli. Mr Keith Hocking has been appointed marketing director of B&B Dairies. Sir Guy Lawrence, recently retired from the chairmanship of the Food and Drink Industries Council, has joined the board of directors of Eagle Aircraft Services. Sir Hugh Wilson has accepted the invitation of the Institute of Building to become an honorary fellow. Mr J. G. Jackson has been appointed Lord's Registrar of Shipping's senior principal surveyor at Middlesbrough in succession to Mr P. Manson who retires in September.



BANCO DO BRASIL S.A.

CONSOLIDATED AND CONDENSED COMPARATIVE STATEMENT OF CONDITION IN MILLIONS OF U.S. DOLLARS

	31.12.75	30.6.76	31.12.76	30.6.77
Assets				
Cash and due from banks	1,142.0	796.1	1,344.7	1,013.2
Loans	26,166.8	28,969.4	31,932.4	35,168.9
Securities	429.7	484.9	506.9	471.6
Bank premises and equipment	373.4	338.9	370.3	367.3
Other assets	1,094.4	3,918.4	4,772.4	5,655.2
TOTAL ASSETS	29,206.3	34,507.7	38,926.7	42,676.2
Liabilities				
Deposits	17,537.7	19,926.4	23,226.3	25,632.4
Demand	9,129.6	9,310.0	9,839.7	11,562.4
Time	8,408.1	10,616.4	13,386.6	14,070.0
Funds borrowed	1,367.4	1,376.2	1,504.0	1,795.3
Funds for refinancing	5,882.5	7,798.9	8,014.0	9,225.9
Other liabilities	1,961.2	2,892.6	3,493.8	3,253.7
Capital and reserves	2,457.5	2,513.6	2,688.6	2,768.9
TOTAL LIABILITIES	29,206.3	34,507.7	38,926.7	42,676.2

The figures shown above are the consolidated and condensed comparative statement of condition in millions of U.S. dollars at the year ending on the respective balance sheet dates.

FOREIGN NETWORK

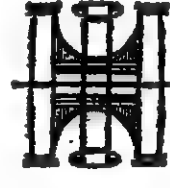
London, Paris, Paris-Opera, Hamburg, Frankfurt, Amsterdam, Rotterdam, Milan, Rome, Lisbon, Madrid, Stockholm, Geneva, New York, San Francisco, Los Angeles, Chicago, Washington, Toronto, Mexico City, Tokyo, Grand Cayman, Panama City, Colon, Buenos Aires, Montevideo, Asuncion, Puerto Presidente Stroessner, Santiago de Chile, La Paz, Santa Cruz de la Sierra, Cochabamba, Bogota, Lima, Quito, Manama-Bahrain, Tehran, Lagos and Sydney.

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Banking correspondents throughout the world, and over 1,000 full branches in Brazil.

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HUNGARIAN INTERNATIONAL BANK LIMITED

LONDON

has pleasure in announcing that at a meeting of the shareholders held in London on 3rd May, 1977, it was resolved to increase the authorised share capital of the bank by £1,500,000 to £3,000,000: the increase to be funded by shareholders' subscriptions totalling £1,350,000 and capitalisation of £150,000 of the retained profits of the bank.

From 1st August, 1977 the capital of the bank is as follows:—

	£
Authorised and Fully Paid Shares	3,000,000
Subordinated Loan Stock	1,500,000
	£4,500,000

The bank wishes to announce that, due to continuing expansion, it now occupies the whole of the second floor at Princes House, 95 Gresham Street, London EC2V 7LU.

Principal Activities

The company is a fully authorised U.K. bank, having commenced operations in August 1973. It carries on an international banking business with activities that include:

1. inter-bank deposit and foreign exchange dealing,
2. bill discounting, a forfait placement and trading,
3. short and medium term euro-currency loans,
4. documentary credits,
5. market making in secondary U.S. \$ London certificates of deposit (for major U.K. Clearing and Canadian bank issuers for periods of from one to six months),
6. market making in National Bank of Hungary eurobonds.

Electronics Li

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Growth of Profits

Electronics Limited, Western Road, Bracknell, Berkshire RG12 1RG, England

§ Forward begins are permitted on two previous days.

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